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UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Regulations Pertaining
to Cotton Marketing Quotas for the
1938-1939 Marketing Year

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Issued June 25, 1938

UNITED STATES
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WASHINGTON : 1938

REGULATIONS PERTAINING TO COTTON MARKETING QUOTAS FOR THE 1938-1939 MARKETING YEAR

UNITED STATES DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY.

By virtue of the authority vested in the Secretary of Agriculture by Title III of the Agricultural Adjustment Act of 1938 (Public Law No. 430, 75th Congress, approved February 16, 1938), as amended, I do make, prescribe, publish, and give public notice of the following regulations governing cotton marketing quotas for the 1938-1939 marketing year, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture under said Act.¹

Done at Washington, D. C., this 25th day of June, 1938. Witness my hand and the seal of the Department of Agriculture.



H. Wallace
Secretary of Agriculture.

PART I. ALLOTMENTS AND YIELDS

SECTION 101. National Baleage Allotment.—The national allotment of cotton for the calendar year beginning January 1, 1938, is 10,000,000 standard bales of 500 pounds gross weight, increased by that number of standard bales of 500 pounds gross weight equal to the production in 1938 of that number of acres required to be allotted for 1938 as set forth in section 102 (c), relating to minimum State acreage allotments, and in section 103 (b), relating to minimum county acreage allotments. The production in 1938 of the acreage allotment referred to in section 102 (e), relating to a special fund of acreage allotments consisting of 4 percent of the State acreage allotment, and in section 102 (f), relating to minimum farm acreage allotments, shall be in addition to such national allotment. [Sec. 343 (a), (b), and (c).]

SEC. 102. State Baleage Allotments and State Acreage Allotments.—(a) Ten million standard bales of the national baleage allotment of cotton for the calendar year 1938 shall be apportioned among the several States on the basis of the average of the normal production of cotton in each State for the five years 1933 to 1937. The normal production of a State for each such year shall be (1) the quantity of cotton produced therein in such year plus (2) the normal production of the acres diverted from the production of cotton in all counties in the State under the agricultural adjustment or conservation program in such year. The normal production of the acres

¹ Unless otherwise indicated, all citations herein are to sections of the Agricultural Adjustment Act of 1938, approved February 16, 1938 (Public Law No. 430, 75th Congress, 52 Stat. 31, as amended).

diverted from the production of cotton in any county in any year shall be the average yield per acre of the acres planted to cotton in such county in such year times the number of acres so diverted in such county in such year. [Sec. 344 (a).]

(b) A State acreage allotment shall be established for each State to which an allotment is made under subsection (a) of this section. The State acreage allotment shall be that number of acres equal to the result obtained by dividing the number of standard bales allotted to the State under subsection (a) of this section by the average yield per acre for the State expressed in standard bales. The average yield per acre for any State shall be determined on the basis of the average of the normal production for the State for the five years 1933 to 1937 and the average, for the same period, of the acres diverted from the production of cotton in the State under the agricultural adjustment or conservation programs and the acres planted to cotton. [Sec. 344 (b).]

(c) Notwithstanding the foregoing provisions of this section, the State acreage allotment for any State which is less than 5,000 acres shall be increased to 5,000 acres if at least 3,500 bales of cotton were produced in such State in any of the five years 1933 to 1937. [Sec. 344 (e) (2).]

(d) An acreage not greater than two percent of the State acreage allotment shall be made available for apportionment to farms in the State on which cotton was not planted in any one of the three years 1935, 1936, and 1937. [Sec. 344 (c) (2).]

(e) In addition to the State acreage allotment, a special fund of acreage allotments equal to 4 percent of the State acreage allotment shall be established for each State for apportionment as set forth in sections 103 (c) and 104 (b), (e), and (f). [Sec. 344 (g).]

(f) There shall be available in each State for allotment to farms that number of acres, in addition to the State acreage allotment and the special fund of acreage allotments equal to 4 percent of the State acreage allotment, equal to the total amount by which farm acreage allotments in the State are increased as set forth in section 104 (h) relating to minimum farm acreage allotments. [Sec. 344 (h).]

SEC. 103. County Acreage Allotments.—(a) The State acreage allotment (less that part set aside under section 102 (d) for apportionment to new farms) shall be apportioned among the counties in the State on the basis of the sum of (1) the acreage therein planted to cotton during the five years 1933 to 1937, and (2) in the applicable years, the acreage therein diverted from the production of cotton under agricultural adjustment and conservation programs, with adjustments for abnormal weather conditions and trends in acreage during such five-year period. [Sec. 344 (c) (1).]

(b) The acreage allotment for each county to which an allotment is apportioned under subsection (a) of this section shall be increased by the number of acres, if any, required to provide an acreage allotment for each such county of not less than 60 percent of the sum of (1) the acreage therein planted to cotton in 1937, and (2) the acreage therein diverted from the production of cotton in 1937 under the agricultural conservation program. The acreage so diverted shall be estimated in case data are not available at the time of making such allotment of additional acreage. [Sec. 344 (e) (1).]

(c) If the acreage allotment for any county is inadequate and not representative in view of the past production of cotton therein, the acreage allotment for such county shall be increased, after considering the increases set forth in section 104 (b) and (e), from any acreage remaining in the special fund of acreage allotments referred to in section 102 (e) after the allotments set forth in section 104 (b) and (e) have been made out of such fund. The apportionment under this subsection shall be made first to that county in which there is the highest relative disparity between the county acreage allotment established in accordance with subsections (a) and (b) and a county acreage allotment which is adequate and representative in view of the past production of cotton in such county; and thereafter such county and in turn other counties in which there is a disparity, but to a smaller degree, shall participate in the apportionment of such remainder of the special fund as is available until existing relative disparities have been reduced to a minimum, which shall be the same for all such counties in the State, or have been extinguished. [Sec. 344 (g) (2).]

(d) If in any county there are one or more areas which, because of difference in types, kinds, and productivity of the soil or other conditions, should be treated separately in order to prevent discrimination, each such area shall be designated by the county committee and the county acreage allotment, including the allotment, if any, made to such county as set forth in subsection (c), shall be apportioned among such areas (1) on the basis of the acreage in each such area planted to cotton in 1937 plus the acreage therein diverted from the production of cotton in 1937 under the agricultural conservation program, or (2) if conditions affecting the acreage planted to cotton were not reasonably uniform throughout the county in 1937, on the basis of the cotton base acreage in each such area which was or could have been established in 1937 under the agricultural conservation program. [Sec. 344 (f).]

SEC. 104. Apportionment of Acreage Allotments Among Established Farms.—(a) The county committee, with the assistance of other local committees established in the county, shall apportion, in the manner set forth in this section, acreage allotments among all farms in the county on which cotton was planted in any one of the three years 1935 to 1937. The acreage allotments to be apportioned among such farms shall consist of (1) the regular county acreage allotment, consisting of an apportionment of the State acreage allotment made to the county, with such increase in the county acreage allotment as is necessary to provide for the county a minimum acreage allotment of not less than 60 percent of the planted plus diverted cotton acreage in the county in 1937, and (2) a distributive part, applicable to the county, of the special fund of acreage allotments consisting of that amount which is equal to 4 percent of the State acreage allotment. This distributive part, hereinafter referred to as the "special fund," is to be applied, insofar as the amount thereof will permit, and in the following order: (a) in supplying any deficiency in the regular county acreage allotment for the making of initial acreage allotments not exceeding five acres for each such farm; (b) in supplementing any acreage allotment made to any farm out of the regular county acreage allotment which, in consequence

of the making of such initial acreage allotments, is inadequate and unrepresentative, and (c) in supplementing the regular acreage allotment made to the county which, in view of the past production of cotton in the county, is inadequate and unrepresentative. The committee shall not establish any farm acreage allotment which is not covered by the allotments mentioned above, except that after but not before the apportionment among farms of all the allotments mentioned above in this subsection an additional farm acreage allotment shall be made, as set forth in subsection (h), to any farm in respect to which the acreage allotment otherwise made is less than the minimum acreage allotment set forth in said subsection. The term "planted plus diverted cotton acreage", as used in this section, shall be taken to mean the sum of the acreage planted in cotton and the acreage diverted from cotton production under agricultural adjustment or conservation programs. [Sec. 344 (d), (e), (f), (g), (h).]

(b) The regular county acreage allotment shall be first apportioned among such farms, and in making such apportionment there shall be first established for each such farm an initial acreage allotment equal to the highest planted plus diverted cotton acreage on the farm in any one of said three years, provided that no initial allotment shall exceed five acres for any such farm. These allotments shall be known as initial allotments and are referred to accordingly in this section. Any deficiency in the amount of the regular county acreage allotment for the making of such initial allotments shall be supplied by the use of the special fund of acreage allotments, insofar as said fund will permit. [Sec. 344 (d) (1).]

(c) In the event that the regular county acreage allotment is more than sufficient to make the initial allotments, there shall be set aside, for increase of allotments to small farms, as set forth in subsection (g), an amount of not more than 3 percent of that amount of the regular county acreage allotment which remains after making the initial allotments. [Sec. 344 (d) (2).]

(d) The remainder of the regular county acreage allotment shall be apportioned among all farms on which the highest planted plus diverted cotton acreage in any one of said three years was more than five acres. The acreage thus to be apportioned to each such farm shall, together with the initial allotment made to the farm, be a percentage (which shall be the same percentage for all farms in the county or administrative area within the county) of the acreage on the farm in 1937 which is tilled annually or in regular rotation, excluding therefrom the acreage devoted to the production of sugarcane for sugar, wheat, tobacco, or rice for market, or wheat or rice for feeding to livestock for market. [Sec. 344 (d) (3).]

(e) If, as a result of the making of initial allotments, the farm acreage allotments for farms made in accordance with subsection (d) are substantially smaller than the farm acreage allotments which would have been made without regard to any provision for the making of initial allotments, the farm acreage allotments to such farms shall be increased to the acreage which would have resulted in the absence of any provision for the making of initial allotments, insofar as any portion of the special fund of acreage allotments not used in the making of initial allotments will permit. [Sec. 344 (g) (2).]

(f) The additional acreage allotment, if any, received by the county, consisting of that part of the special fund of acreage allotments not used in, or in consequence of, the making of initial acreage allotments as aforesaid, shall be apportioned, in accordance with the provisions of subsection (d), among farms receiving allotments under said subsection. [Sec. 344 (g) (3).]

(g) Any farm acreage allotment made as aforesaid of more than five acres, but not exceeding 15 acres, may be increased from the reserve of not more than 3 percent of the county acreage allotment mentioned in subsection (c). In making such increase due consideration shall be given to, and such allotments shall be made on the basis of, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other facilities affecting the production of cotton. [Sec. 344 (d) (2).]

(h) Notwithstanding any other provision of this section, (1) the farm acreage allotment made to any farm shall not exceed the highest planted plus diverted cotton acreage in any one of said three years, and (2) any farm acreage allotment which after but not before the apportionment of all acreage allotments, as provided in the foregoing subsections of this section, is less than 50 percent of the planted plus diverted cotton acreage on the farm in 1937, shall be increased to such amount, provided that such increase shall not be so made as to raise the cotton acreage of the farm above 40 percent of the acreage on the farm which, as determined in accordance with applicable instructions, is tilled annually or in regular rotation. The acreage allotments required to effect this minimum provision shall be in addition to all acreage allotments represented by the regular county acreage allotment and by the special fund of acreage allotments. [Sec. 344 (d) (3), Sec. 344 (h).]

(i) After making the allotments under this section, any part of the acreage allotted to individual farms which it is determined, in accordance with applicable instructions, will not be planted to cotton in 1938, shall be deducted from the allotments to such farms and may be apportioned in accordance with applicable instructions, preference being given to farms in the same county receiving allotments which are inadequate and not representative in view of the past production of cotton and the acreage diverted from the production of cotton on such farms under the agricultural conservation program in 1937. Any transfer of allotments for 1938 as set forth in this subsection shall not affect apportionment for any subsequent year. The allotment for any farm shall not be increased under this subsection to an acreage greater than the highest planted plus diverted cotton acreage on the farm in any one of the three years 1935 to 1937, nor to an acreage greater than 40 percent of the acreage on such farm which is tilled annually or in regular rotation. [Sec. 344 (h).]

SEC. 105. Apportionment of Acreage Allotments Among New Farms.—The county committee, with the assistance of other local committees, shall, in accordance with applicable instructions, apportion among farms on which cotton was not planted in any one of the three years 1935 to 1937 and on which cotton is planted in 1938 the distributive part, applicable to the county, of acreage allotments which constitute a reserve of not more than 2 percent of the State

acreage allotment. The basis of the apportionment shall be the land, labor, and equipment available on the farm for the production of cotton, crop rotation practices thereon, and the soil and other physical facilities affecting the production of cotton thereon. [Sec. 344 (c) (2).]

SEC. 106. Normal Yields.—(a) The county committee, with the assistance of the other local committees established in the county, shall determine the normal yield per acre of lint cotton for each farm for which a farm acreage allotment is established.

(b) Where reliable records of the actual average yield of lint cotton per acre for all of the five years 1933 to 1937 are presented by the farmer or are available to the committee, the normal yield per acre of lint cotton for the farm shall be the average of such yields adjusted, in accordance with applicable instructions, for abnormal weather conditions.

(c) If for any year of the five-year period 1933 to 1937 (1) records of the actual average yield are not available, or (2) there was no actual yield because cotton was not planted in such year, the normal yield per acre of lint cotton for the farm shall be appraised by the county committee, taking into consideration the normal yield for the county, the yield in the years for which data are available, and the rainfall, temperature, and other weather conditions during the years for which data are available as compared with those for which data are not available, provided the appraised yield so obtained shall be adjusted in accordance with subsection (d) of this section.

(d) The yields determined under subsection (c) of this section shall be adjusted so that the average of the normal yields per acre of lint cotton determined for all farms in the county or local administrative area therein (weighted by the cotton acreage allotments established for such farms) shall conform to the county normal yield per acre of lint cotton established for 1938 by the Secretary of Agriculture. [Sec. 301 (b) (13) (B) and (E).]

SEC. 107. Applicability of Detailed Instructions.—The provisions of Part I hereof shall be carried out in detail in accordance with the provisions of Part I, "Determining 1938 Farm Cotton Acreage Allotments and Yields," of the following instructions applicable to the regions indicated below:

SOUTHERN REGION.—Cotton 208-SR, "Instructions Pertaining to Cotton Marketing Quotas for 1938."

EAST CENTRAL REGION.—Cotton 208-ECR, "Instructions Pertaining to Cotton Marketing Quotas for 1938."

WESTERN REGION.—Cotton 208-WR, "Instructions Pertaining to Cotton Marketing Quotas for 1938."

NORTH CENTRAL REGION.—Cotton 208-NCR, "Instructions Pertaining to Cotton Marketing Quotas for 1938."

PART II. FARM MARKETING QUOTAS

SECTION 201. Amount of Farm Marketing Quota.—(a) The farm marketing quota for any farm for 1938 shall be that number of pounds of lint cotton equal to the sum of the following:

1. The amount of the normal production or the actual production, whichever is the greater, of the farm acreage allotment, and
2. The amount of cotton from any previous crop which the farmer has on hand.

(b) 1. Notwithstanding the foregoing provisions of this section, the amount of the normal production of the farm acreage allotment, plus the amount of cotton from any previous crop on hand, shall be considered to be the farm marketing quota for any farm on which the acreage planted to cotton in 1938 is in excess of the farm acreage allotment for the farm, unless and until it is determined by the county committee that the actual production of the farm acreage allotment for such farm, as shown by the reports of cotton ginned from the farm or other satisfactory evidence, is in excess of the normal production of the farm acreage allotment.

2. If and when the actual production for 1938 of the farm acreage allotment for any such farm, as shown by the reports of cotton ginned from the farm or other satisfactory evidence, is found by the county committee to be in excess of the normal production of the farm acreage allotment, it shall adjust said farm marketing quota for the farm upward by that amount by which the actual production of the farm acreage allotment exceeds the normal production thereof. Such adjustment shall be made as soon as practicable after all the cotton produced on the farm in 1938 has been harvested and satisfactory records pertaining thereto have been presented or are available; however, one such adjustment with respect to any such farm may be made earlier if requested by the operator of such farm and deemed by the county committee, on the basis of the amount of cotton produced on the farm in 1938 that has been harvested at the time of the request, to be justifiable. [Sec. 346 (a).]

SEC. 202. Publication of Farm Acreage Allotments and Farm Marketing Quotas.—(a) Immediately upon the establishment of farm acreage allotments and the determination of normal yields per acre of lint cotton for farms in a county or other local administrative area, the county committee shall prepare a list on form Cotton 210 showing the calendar year for which the farm acreage allotments are made and the marketing year for which the farm marketing quotas shown are in effect and giving for each farm for which a farm acreage allotment is established (1) the farm acreage allotment, (2) the normal yield per acre of lint cotton, (3) the farm marketing quota (for the purpose of publishing farm marketing quotas, the farm marketing quota for each farm shall be expressed in terms of the normal production of the farm acreage allotment), (4) the name of the owner or operator and the legal description or location of the farm or the name by which it is commonly known, and (5) the farm serial number.

(b) A copy of the list prepared pursuant to subsection (a) shall be permanently kept freely available for public inspection in the office of the county committee and a copy of it shall be posted for not less than thirty days in a conspicuous place in the county (or in each local administrative area in the county if the county is divided into two or more local administrative areas for the purposes of the cotton marketing quota provisions of the Act). Another copy of such list shall be furnished to the county agricultural extension agent in the county, who shall keep the list permanently available for public inspection in his office. Each such list or copy shall be plainly marked on the front page "Property of the Government of the United States—must not be removed, taken, carried away, mutilated, altered, destroyed, or concealed." [Sec. 362.]

SEC. 203. Notice of Farm Marketing Quotas.—(a) Immediately upon the establishment of farm acreage allotments and the determination of the normal yield per acre of lint cotton for farms in a county or other local administrative area, the county committee shall cause to be mailed to the operator of each farm for which such a farm acreage allotment is established a written notice on form Cotton 209 of the farm marketing quota for the farm. The notice shall contain at or near the top thereof the following statement: "To all persons who as operator, landlord, tenant, or sharecropper, are interested in the farm for which this quota is established." Notice so given shall constitute notice to all such persons. The notice shall contain the information required by section 202 to be contained in the list of farm acreage allotments and farm marketing quotas for publication, together with a brief statement that the amount of the farm marketing quota for the farm is the number of pounds of lint cotton equal to the amount of the normal production of the farm acreage allotment plus the amount, if any, of the cotton from any previous crop which the farmer has on hand and the amount, if any, by which the actual production of the farm acreage allotment exceeds the normal production thereof. The notice shall contain also on the face or back thereof a statement of the procedure whereby application for review of the quota may be made under Section 363 of the Act.

(b) A copy of each notice required pursuant to subsection (a), containing a notation thereon of the date of mailing the notice to the operator of the farm, shall be kept among the records of the county committee, and upon request a copy thereof, duly certified as true and correct, shall be furnished without charge to any person who as operator, landlord, tenant, or sharecropper is interested in the cotton produced in 1938 on the farm with respect to which the quota is established. [Sec. 362.]

SEC. 204. Apportionment of Farm Marketing Quotas for Farms Planting Within Acreage Allotments.—(a) If the acreage planted to cotton in 1938 on any farm does not exceed the farm acreage allotment for the farm, each producer shall be entitled to a share of the farm marketing quota equal to the amount of his share in the cotton produced thereon in 1938 plus the amount of cotton from any previous crop which he has on hand.

(b) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton in 1938 on one or more but not all of such farms is in excess of the farm acreage allotment therefor, and a red marketing card (form Cotton 212) is to be issued under section 403 to such producer, the county committee shall, in accordance with the procedure prescribed in section 205, determine the share of such producer in the farm marketing quota (which share is hereinafter referred to as "producer marketing quota") for such farm or farms on which the acreage planted to cotton in 1938 is not in excess of the farm acreage allotment therefor.

SEC. 205. Apportionment of Farm Marketing Quotas for Farms Planting in Excess of Acreage Allotments.—If the acreage planted to cotton in 1938 on any farm is in excess of the farm acreage allotment for the farm, the county committee shall apportion to each producer on the farm (where there is only one producer who shares in the acreage planted to cotton in 1938 on the farm he shall receive

the whole of the farm marketing quota) a share of the farm marketing quota (such share being hereinafter referred to as "producer marketing quota"), exclusive of cotton from any previous crop on hand, in accordance with the following:

1. The producer marketing quota for each producer shall first be determined, as soon as practicable after measurements with respect to the farm have been made as set forth in section 301, to be an amount of lint cotton equal to that percentage of the normal production of the farm acreage allotment for the farm which the normal production in 1938 of such producer's share of the acreage planted to cotton in 1938 on the farm is of the normal production in 1938 of the total acreage planted to cotton in 1938 on the farm. The normal production in 1938 of any such producer's share of the acreage planted to cotton in 1938 on the farm shall be the normal yield per acre of lint cotton for the farm times such number of acres.

2. If the farm marketing quota is adjusted as set forth in paragraph 2 of section 201(b), relating to adjustments for actual production, or if the actual production of the acreage planted to cotton on the farm in 1938 is in excess of the normal production of the farm acreage allotment for the farm, the county committee shall adjust the producer marketing quota or quotas determined pursuant to paragraph 1 of this section so that the producer marketing quota for each producer shall be that amount of lint cotton equal to that percentage of the farm marketing quota as adjusted which the actual production in 1938 of such producer's share of the acreage planted to cotton in 1938 on the farm is of the actual production in 1938 of the total acreage planted to cotton in 1938 on the farm. In making adjustments in producer marketing quotas before all cotton on the farm has been harvested, the county committee shall adjust them so that the producer marketing quota for each producer shall be that amount of lint cotton equal to that percentage of the farm marketing quota as adjusted which the normal production in 1938 of such producer's share of the acreage planted to cotton in 1938 is of the normal production in 1938 of the total acreage planted to cotton in 1938 on the farm. In making adjustments under this paragraph, no producer on the farm who produces in 1938 more than the amount of the producer marketing quota previously apportioned to him shall have such producer marketing quota reduced and such part of the producer marketing quota of any producer on the farm as is in excess of his actual production in 1938 on the farm shall, in cases where more than one producer shares in the acreage planted to cotton in 1938 on the farm, be reapportioned to the other producer or producers on the farm.

3. If one or more of the producers on a farm complains in writing to the county committee that the apportionment of the farm marketing quota to producers as originally determined under paragraph 1 or as adjusted under paragraph 2 is not fair and equitable because of variations in productivity, the acreage planted to cotton by each producer, crop failure, or other cause and the county committee has good ground to believe that any complaint so made is well-founded, it shall review the apportionment made under paragraph 1 or paragraph 2, as the case may be, and, if it finds that such apportionment is not fair and equitable, shall reapportion the farm marketing quota among the various producers on the farm in a manner which, in view

of all the facts adduced, is fair and equitable to all producers on the farm.

4. If the actual production of the acreage planted to cotton on the farm in 1938 is not in excess of the normal production of the farm acreage allotment for the farm and the county committee finds that the producer marketing quota for any producer with respect to such farm is in excess of the amount of his share in the actual production in 1938 thereon, that portion of his producer marketing quota which is in excess of his share in the actual production in 1938 on such farm shall, in cases where more than one producer shares in the acreage planted to cotton in 1938 on the farm, forthwith be treated as an undistributed part of the farm marketing quota for such farm and shall be reapportioned by the county committee, in accordance with the foregoing provisions of this section, to the producer or other producers on the farm whose production is in excess of their respective producer marketing quotas. Not more than one such reapportionment with respect to any farm shall be made during the marketing year unless the county committee determines that more than one such reapportionment is necessary to assure a fair and equitable apportionment of the farm marketing quota among the producers thereon.

5. There shall be added to and made a part of any producer marketing quota, as determined in accordance with this section or section 204 (b), the amount of cotton from any previous crop which the county committee determines, in accordance with applicable instructions, that the producer has on hand at the time of the determination.

6. The producer marketing quota or the sum of all the producer marketing quotas with respect to any farm shall not exceed the sum of (1) the normal production of the farm acreage allotment or the actual production of the farm acreage allotment, as provided for in section 201 (b), and (2) the amount of cotton from any previous crop which the producer or producers on the farm have on hand.

SEC. 206. Successors in Interest.—Any person who succeeds to the interest of a producer in a farm or in a cotton crop or cotton with respect to which a farm marketing quota has been established shall, to the same extent as his predecessor, be entitled to all the rights and privileges incident to such marketing quota and be subject to the restrictions on the marketing of cotton.

SEC. 207. Transfer of Farm Marketing Quotas.—A farm marketing quota is established with respect to a farm and may not be assigned or otherwise transferred in whole or in part to any other farm. A producer marketing quota may not be assigned or otherwise transferred in whole or in part, except that it may be reapportioned among producers on a farm as set forth in these regulations.

SEC. 208. Review of Quotas.—(a) Any producer who is dissatisfied with the farm marketing quota established for his farm may, by making application within 15 days after the mailing to him of the notice provided for in section 203, have such quota reviewed by a local review committee composed of three farmers appointed by the Secretary of Agriculture. Unless such application is made within such 15 days the original determination of the farm marketing quota shall be final. All applications for review shall be made in accordance with regulations issued by the Secretary of Agriculture. [Sec. 363 and 364.]

(b) If the producer is dissatisfied with the determination of the review committee he may, within 15 days after notice thereof is mailed to him by registered mail, file a bill in equity against the review committee to have the determination of the review committee reviewed by a court in accordance with Section 365 of the Act. [Sec. 365.]

SEC. 209. Marketing Quotas in Effect.—Marketing quotas shall be in effect during the marketing year with respect to the marketing of cotton. Cotton produced in the calendar year 1938 shall be subject to the quotas in effect notwithstanding that it may be marketed prior to August 1, 1938. [Sec. 345.]

PART III. MEASUREMENT OF FARMS

SECTION 301. Provision for Measuring Farms.—The county committee shall provide for measuring each farm in the county for which a farm acreage allotment was established for the purpose of ascertaining whether the acreage planted thereon to cotton in 1938 is in excess of the farm acreage allotment therefor. The measuring of any farm shall be done in accordance with the established procedure used by the Agricultural Adjustment Administration. [Sec. 374.]

SEC. 302. Report of Measurements.—A record of the result of the measurements made as provided for in section 301 shall be kept by the county committee. In the case of farms on which the acreage planted in cotton in 1938 is in excess of the farm acreage allotment, the county committee shall file promptly with the State committee a written report on form Cotton 218 stating for each such farm (1) the farm serial number, (2) the name of the operator, (3) the total acreage in cultivation in 1938, (4) the farm acreage allotment, (5) the acreage planted to cotton in 1938, and (6) the name of each person having an interest in the cotton crop produced thereon in 1938 or in the proceeds thereof. [Sec. 374.]

PART IV. MARKETING CARDS, MARKETING CERTIFICATES, AND IDENTIFICATION OF COTTON

SECTION 401. Issuing Marketing Cards for Farms Planting Within Acreage Allotments.—(a) As soon as practicable after it has been determined as set forth in section 301 that the acreage planted to cotton on any farm in 1938 does not exceed the farm acreage allotment for the farm, the county committee shall, except as provided for in subsection (b), issue a white marketing card (form Cotton 211) to the operator and, unless the county committee finds that it will not serve a useful purpose, to other producers on the farm, as evidence that such operator and all other producers on the farm may market without penalty all cotton produced on such farm in 1938 and the amount of cotton from any previous crop which they have on hand. Such marketing card shall show (1) the name and address of the operator, (2) the State and county code number and serial number of the farm, (3) the signature of a member of the county committee signing for the county committee, and (4) the countersignature of the operator or other producer to whom the card is issued, or his duly authorized agent.

(b) A marketing card shall not be issued under this section to any operator or producer who is engaged in the production of cot-

ton on more than one farm in a county if the acreage planted to cotton on any of such farms in 1938 is in excess of the farm acreage allotment therefor.

(c) If the county committee finds that cotton from seed of a pure strain of Sea Island or American-Egyptian cotton that normally produces a staple of $1\frac{1}{2}$ inches or more in length in districts where it is commonly grown is the only cotton being produced in 1938 on a farm located in a district where such cotton is commonly grown and determines as provided for in paragraph 5 of section 205 that the producer of such cotton has on hand any cotton that was produced in a prior year, the county committee shall issue him a white marketing card (form Cotton 211) as evidence that such producer is entitled to market without penalty all cotton from any previous crop which he has on hand. A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on a marketing card issued under subsection (a), except that the expression "carry-over" shall be endorsed in bold characters across its face.

(d) In any case where a white marketing card (form Cotton 211) has been issued to a producer, the county committee may furnish such producer a form of certificate, form Cotton 211-A, to be used by such producer only in the marketing of cotton by telephone, telegraph, or mail or by any means or method other than directly to and in the presence of a buyer or transferee as evidence of the fact that the county committee has issued to such producer a white marketing card (form Cotton 211).

SEC. 402. Issuing Marketing Cards for Farms Planting in Excess of Acreage Allotments.—(a) As soon as practicable after it has been determined as set forth in section 301 that the acreage planted to cotton on any farm in 1938 exceeds the farm acreage allotment for the farm, the county committee shall (except as otherwise provided for in subsection (b) of this section) issue a red marketing card (form Cotton 212) to each producer on the farm as evidence that the producer to whom the card is issued is entitled to market without penalty the amount of the cotton entered on such card, provided such cotton is produced by or for him on such farm in 1938 or is cotton from any previous crop which he has on hand. Such marketing card shall show (1) the name and address of the operator, (2) the State and county code number and serial number of the farm, (3) the signature of a member of the county committee signing for the county committee, (4) the countersignature of the operator or other producer to whom the card is issued, or his duly authorized agent, and (5) the amount of the producer marketing quota for the producer determined as provided for in section 205 or the amount of the farm marketing quota if the card is issued to the operator as provided for in subsection (b). The farm marketing quota or the total of all producer marketing quotas with respect to any farm as evidenced by a marketing card, or marketing cards, issued under this subsection or subsection (b), as the case may be, shall not be greater than the normal production of the farm acreage allotment for the farm plus the amount of cotton from any previous crop which the producer or producers on the farm have on hand. In entering the amount of the producer marketing quota or the farm marketing quota, as the case may be, on a red

marketing card (form Cotton 212) there shall be entered, in addition to that portion of the farm marketing quota or producer marketing quota to which the producer or producers to or for whom the card is issued are entitled with respect to the 1938 cotton crop, the amount of cotton from any previous crop which he or they, as the case may be, have on hand, determined as provided for in paragraph 5 of section 205, less the amount of any such cotton which is pledged as security for a Commodity Credit Corporation loan. If such a producer desires to market any such cotton so pledged, the county committee shall, upon his request, issue to him a red marketing card (form Cotton 212) for the amount of such cotton which he desires to market.

(b) In cases where more than one producer shares in the acreage planted to cotton in 1938 on a farm, if all producers on the farm agree in writing, on form Cotton 212A, a red marketing card (form Cotton 212) showing the entire farm marketing quota for the farm shall be issued to the operator, but the operator shall nevertheless make available to each producer on the farm the amount of the producer marketing quota to which each such producer is entitled under section 205. Such operator shall report to the county committee, as provided for in section 603 (b), the distribution of the farm marketing quota among the producers on the farm.

(c) The county committee shall issue a red marketing card (form Cotton 212) to each producer on the farm for his proportionate share, if any, determined as provided for in paragraph 2 of section 205, of any increase, or a red marketing card (form Cotton 212) for the entire amount of any increase shall be issued to the operator as provided for in subsection (b), as evidence that such producer or producers may market without penalty the amount of any cotton produced by or for him or them on such farm in 1938 entered on such card or cards. A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on the marketing card originally issued to the producer, except that the letters "XX" shall be placed before the State and county code number preceding the serial number of the farm, and the information shown with respect to the amount of the farm marketing quota shall be only the amount of the increase in the farm marketing quota for the farm if the card is issued to the operator under subsection (b), or the amount of the producer's share in the increase in the farm marketing quota for the farm if a card is issued to each producer on the farm. The farm marketing quota or the total of all producer marketing quotas with respect to any farm as evidenced by marketing cards issued shall not be greater than the amount of the farm marketing quota for the farm determined as provided for in section 201 (b).

(d) If the county committee has made an estimate that the actual production of the acreage planted to cotton in 1938 on the farm will not exceed the normal production of the farm acreage allotment for the farm or has made an estimate of the amount of cotton to be produced on a farm in 1938 in excess of the farm marketing quota for the farm and the payment of the estimated penalty with respect to the marketing of such cotton has been secured, as provided for in section 507, it may issue a white marketing card (form Cotton 211)

to the operator of such farm and, unless the county committee finds that it will not serve a useful purpose, to other producers on the farm as evidence that such operator and other producers on the farm may market all cotton produced on the farm in 1938 and cotton from any previous crop which they have on hand without paying the penalty at the time of marketing. A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on a marketing card issued under section 401 (a), except that the words "Penalty Secured" shall be endorsed in bold characters across its face. The county committee shall not issue a white marketing card (form Cotton 211) under this subsection if the estimated penalty is to be secured by funds tendered in the form of a check, draft, or money order unless and until the treasurer of the county committee notifies such committee that such check, draft, or money order has been collected and the proceeds thereof are held in the special deposit account provided for in section 510, nor shall such committee issue a marketing card under this subsection to a producer or producers to whom a marketing card or cards has or have been previously issued until such card or cards previously issued has or have been returned to and canceled by such committee by endorsing thereon in bold letters the notation "Canceled—Sec. 402(d)." Any marketing card issued under this subsection shall be issued upon condition that any producer to or for whom it is issued shall nevertheless be subject to the penalty referred to in section 501 with respect to the marketing of cotton in excess of the farm marketing quota for the farm.

(e) The county committee may, upon request, issue to any producer on a farm on which the acreage planted to cotton in 1938 exceeds the farm acreage allotment for such farm a white marketing card (form Cotton 211) as evidence of the fact that, notwithstanding the amount of the marketing quota for the farm, there may be marketed, without regard to the manner prescribed in Part V for the payment, collection, and remittance of penalties, the entire amount of the cotton produced on the farm in 1938 plus the amount of cotton from any previous crop which the producers on such farm have on hand, if the county committee finds (1) that the actual production on the entire farm in 1938 does not exceed one thousand pounds of lint cotton or (2) that the estimated production on the entire farm in 1938 does not exceed one thousand pounds of lint cotton and (3) that any marketing card or cards previously issued with respect to such farm have been returned to and canceled by such committee by endorsing thereon in bold letters the notation "Canceled—Sec. 402 (e)." A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on a marketing card issued under section 401 (a), except that the words "One Thousand Pounds" shall be endorsed in bold characters across its face. Any marketing card issued under this subsection shall be issued upon condition that any producer to or for whom it is issued shall nevertheless be subject to the penalty referred to in section 501 with respect to the marketing of cotton in excess of the farm marketing quota for the farm if the total production in 1938 of the farm exceeds one thousand pounds of lint cotton.

SEC. 403. Issuing Marketing Cards for Multiple Farms.—(a) In case a producer is engaged in 1938 in the production of cotton on

more than one farm in a county and the acreage planted to cotton on each of such farms does not exceed the farm acreage allotment therefor, separate white marketing cards (form Cotton 211) shall be issued by the county committee with respect to each of such farms in accordance with the provisions of section 401.

(b) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton in 1938 on each of such farms is in excess of the farm acreage allotment therefor, separate red marketing cards (form Cotton 212) shall be issued by the county committee with respect to each of such farms in accordance with the provisions of section 402.

(c) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton in 1938 on one or more but not all of such farms is in excess of the farm acreage allotment therefor and a marketing card is issued to such producer by the county committee with respect to any such farm on which the acreage planted to cotton in 1938 does not exceed the farm acreage allotment therefor, a red marketing card (form Cotton 212) shall be issued to such producer by the county committee in accordance with the provisions of section 402 for the amount of the producer marketing quota apportioned to such producer with respect to each such farm as provided for in section 204 (b). In case a red marketing card (form Cotton 212) is so issued, the county committee shall nevertheless issue a white marketing card (form Cotton 211) under section 401 (a) to or for all other producers on each such farm on which the acreage planted to cotton in 1938 does not exceed the farm acreage allotment therefor.

SEC. 404. Issuing Marketing Certificates.—(a) If the county committee finds that cotton from seed of a pure strain of Sea Island or American-Egyptian cotton that normally produces a staple of $1\frac{1}{2}$ inches or more in length in districts where it is commonly grown is being produced in 1938 on a farm in such a district, it shall issue a "Sea Island or American-Egyptian Cotton Marketing Certificate" on form Cotton 214 to each producer of such cotton as evidence that such producer is entitled to market without penalty all such cotton.

(b) Upon request of a responsible executive officer of any publicly-owned agricultural experiment station, the State committee shall issue to such experiment station, with respect to cotton which is grown solely for experimental purposes, a certificate, signed by the chairman or the secretary of such committee, evidencing the fact that the marketing of such cotton, as provided for in section 372 (d) of the Act, is not subject to the penalty. Such request shall be made in writing and shall show: (1) the name and address of the experiment station, (2) the location of the land on which such cotton was or is being produced, and (3) the number of acres planted to cotton on such experiment station in 1938 solely for experimental purposes.

SEC. 405. Reissuing Marketing Cards.—(a) In the event a portion or all of a producer marketing quota is reapportioned, as provided for in paragraph 2 or paragraph 4 of section 205, the county committee shall deduct the portion reapportioned from such producer marketing quota as shown on the marketing card by entering on such marketing card the amount deducted and the amount re-

maining of such producer marketing quota with the signature or initials of a member of the county committee signing next to the entry for the committee. Any marketing card issued to any producer shall be returned by such producer to the county committee at the time the amount of his producer marketing quota is reapportioned. In the event any producer fails or refuses, after being duly requested in writing to do so, to deliver to the county committee, within ten calendar days after the date of the request, any marketing card issued with respect to any producer marketing quota a portion or all of which has been reapportioned, the county committee shall forthwith cancel such marketing card by giving notice to such producer that such marketing card is void and of no effect by depositing written notice to such effect in the United States mails, registered and addressed to such producer at his last-known address. A copy of such notice, containing a notation thereon of the date of mailing, shall be kept among the records of the county committee. Such committee shall immediately notify the ginners and buyers in the county that the marketing card has been canceled. Such committee shall also notify the county committee of each adjoining county, which shall in turn notify the ginners and buyers in such county.

(b) After the county committee has reapportioned a portion or all of a producer marketing quota, as provided for in paragraph 2 or paragraph 4 of section 205, in cases where the farm marketing quota is not increased as provided for in section 201 (b), it shall issue to each producer who has received a portion of the amount of the quota reapportioned a red marketing card (form Cotton 212) for the additional amount so reapportioned. The word "Reissue" shall be endorsed in bold characters across the face of marketing cards issued under this section and such cards shall bear evidence and show information comparable with that provided to be shown in marketing cards issued under section 402 (a).

SEC. 406. Lost, Destroyed, or Stolen Marketing Cards.—(a) In case any marketing card issued to a producer is lost, destroyed, or stolen, any person having knowledge of such loss, destruction, or theft, shall, insofar as he be able, immediately notify the county committee of (1) the name of the operator of the farm with respect to which such marketing card was issued, (2) the name of the producer to whom the marketing card was issued, if someone other than the operator, (3) the serial number of the marketing card, (4) the color of the marketing card, and (5) whether in his judgment it was lost, destroyed, or stolen and by whom.

(b) The county committee shall make or cause to be made a thorough investigation of the circumstances of such loss, destruction, or theft. If, after such investigation, the county committee finds that such marketing card was in fact lost, destroyed, or stolen, it shall cancel such card by giving notice to the producer to whom the card was issued that such card is void and of no effect by depositing a written notice to that effect in the United States mail, addressed to such producer at his last-known address, and if it also finds that there has been no collusion or connivance in connection therewith on the part of the producer to or for whom it was issued, it shall issue to or for such producer a duplicate marketing card of the same color and bearing the same name, information, and identification as the

lost, destroyed, or stolen marketing card. However, if the card lost, destroyed, or stolen was a red marketing card (form Cotton 212), such committee shall, after determining the amount of cotton marketed without penalty by or for the producer or producers to or for whom the card was issued, enter on the duplicate card issued, in addition to the amount of the farm marketing quota or the producer marketing quota, as the case may be, entered on the lost, destroyed, or stolen card, a deduction for the amount of the cotton which it determines has been so marketed without penalty. Each marketing card issued under this section shall bear across its face in bold characters the word "Duplicate." In case a marketing card is canceled as provided for in this section the county committee shall immediately notify the ginner and buyers in the county that the marketing card has been canceled and a duplicate has been issued. Such committee shall also notify the county committee of each adjoining county, which shall in turn notify the ginner and buyers in its county. Any ginner or buyer or any other person coming into possession of a canceled marketing card shall immediately return it to the county committee which issued it.

SEC. 407. Color of Marketing Cards.—The color of marketing cards (form Cotton 211) issued as provided for in sections 401, 402 (d), 402 (e), and 403 (a) shall be white and the color of marketing cards (form Cotton 212) issued as provided for in sections 402 (a), 402 (b), 402 (c), 403 (b), 403 (c), and 405 shall be red.

SEC. 408. Identification of Cotton.—(a) Each buyer or transferee who buys or receives cotton during the marketing year, or prior to the beginning of the marketing year if the cotton was produced in the calendar year 1938, shall, unless it is identified by the producer as provided in these regulations, deem it to be subject to the penalty provided for in section 348 of the Act.

(b) A white marketing card (form Cotton 211), issued under sections 401, 402 (d), 402 (e), 403 (a), or 406, shall be used to identify cotton with respect to which it was issued as—

(1) Cotton which is not subject to the penalty provided for in section 348 of the Act;

(2) Cotton with respect to the marketing of which it has been estimated that the penalty will not be due or with respect to which a bond has been executed or money has been placed in escrow as provided for in section 507:

(3) Cotton with respect to the marketing of which the penalty, if any, will not be paid until it is determined whether the total production in 1938 of lint cotton on the farm on which it was produced exceeds 1,000 pounds.

If such cotton is marketed directly to and in the presence of the buyer or transferee, the producer shall identify the cotton by showing his marketing card to the buyer or transferee. If the marketing of such cotton is effected by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by delivering to the buyer or transferee a certificate properly executed in duplicate on form Cotton 211-A as evidence that the county committee has issued a white marketing card (form Cotton 211) to such producer.

(c) A red marketing card (form Cotton 212), issued under sections 402 (a), 402 (b), 402 (c), 403 (b), 403 (c), 405, or 406, accompanied by an applicable certified statement properly executed on form Cotton 213 shall be used to identify cotton with respect to which it was issued as—

(1) Cotton, the marketing of which is not subject to the penalty provided for in section 348 of the Act, if the total amounts of lint cotton entered on form Cotton 213, as provided for in part VI, as having been marketed under such card plus the amount of lint cotton being marketed, is not greater than the farm marketing quota or producer marketing quota, as the case may be, shown on such card;

(2) Cotton, the marketing of which is subject to the penalty provided for in section 348 of the Act, if the total amounts of lint cotton entered on form Cotton 213, as provided for in part VI, as having been marketed under such card, is equal to or greater than the farm marketing quota or producer marketing quota, as the case may be, shown on such card;

(3) Cotton, the marketing of that amount of which is subject to the penalty provided for in section 348 of the Act, if the amount being marketed, together with the total amount of lint cotton, if any, entered on form Cotton 213, as provided for in part VI, as having been marketed under such card, is in excess of the farm marketing quota or producer marketing quota, as the case may be, shown on such card.

If such cotton is marketed directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by showing his marketing card and by delivering to the buyer or transferee an applicable certified statement properly executed on form Cotton 213. If the marketing of such cotton is effected by telephone, telegraph, or mail, or any means or method other than directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by delivering to the buyer or transferee an applicable certified statement properly executed on form Cotton 213.

(d) A certificate issued on form Cotton 214 (Sea Island or American-Egyptian Cotton Marketing Certificate), as provided for in section 404, shall be used to identify cotton with respect to which it is issued as cotton the staple of which is $1\frac{1}{2}$ inches or more in length and the marketing of which is not subject to the penalty provided for in section 348 of the Act. If such cotton is marketed directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by showing his marketing certificate (form Cotton 214) to the buyer or transferee. If the marketing of such cotton is effected by telephone, telegraph, or mail, or by any means or method other than directly to or in the presence of the buyer or transferee, the producer shall deliver to the buyer or transferee a certificate in duplicate on form Cotton 211-A properly executed as evidence that the county committee has issued a certificate on form Cotton 214 to such producer.

(e) A certificate issued with respect to publicly-owned agricultural experiment stations, as provided for in section 404 (b), shall be presented by the producer to the buyer or transferee at the time the cotton is marketed, for the purpose of identifying the cotton with re-

spect to which it is issued as cotton grown solely for experimental purposes by a publicly-owned agricultural experiment station and the marketing of which is not subject to the penalty provided for in section 348 of the Act.

(f) A certificate on form Cotton 221 by a Federally-licensed cotton classifier that the staple of cotton covered by such certificate is $1\frac{1}{2}$ inches or more in length shall, if presented by the producer to the buyer or transferee at the time of marketing, be used to identify such cotton as not subject to the penalty provided for in section 348 of the Act. [Sec. 375 (a) and (b).]

PART V. PENALTIES

SECTION 501. General.—Any producer who, while farm marketing quotas with respect to the marketing of cotton are in effect, markets cotton subject to such quotas in excess of the farm marketing quota for the farm on which such cotton was produced shall, as provided for in section 348 of the Act, be subject to a penalty of two cents per pound with respect to the excess so marketed (hereinafter referred to as “the penalty”). Any producer shall be presumed to have marketed cotton in excess of the farm marketing quota for the farm on which such cotton was produced if he markets cotton in excess of the amount of the farm marketing quota or the producer marketing quota to which he is entitled under the terms of these regulations as evidenced by the marketing card issued to or for him in accordance with these regulations. [Sec. 348.]

SEC. 502. Farms Producing Less Than 1,000 Pounds of Lint Cotton.—As provided for in section 346 (b) of the Act, the penalty shall not apply to the marketing of cotton in excess of the farm marketing quota for a farm for which a farm acreage allotment was established if the total production of lint cotton thereon in 1938 does not exceed 1,000 pounds. [Sec. 346 (b).]

SEC. 503. Long Staple Cotton.—(a) As provided for in section 350 of the Act, the penalty shall not apply to the marketing of cotton the staple of which is $1\frac{1}{2}$ inches or more in length. [Sec. 350.]

(b) Cotton produced from a pure strain of Sea Island or American-Egyptian cotton which normally produces a staple of $1\frac{1}{2}$ inches or more in length shall be deemed to be cotton the staple of which is $1\frac{1}{2}$ inches or more in length provided a “Sea Island or American-Egyptian Marketing Certificate,” form Cotton 214, with respect thereto has been issued under section 404 and provided further that such cotton is being produced in a district where it is commonly grown.

(c) Any other cotton shall be deemed to be cotton the staple of which is less than $1\frac{1}{2}$ inches in length unless the producer thereof obtains a certification by a Federally-licensed cotton classifier that such cotton has a staple of $1\frac{1}{2}$ inches or more in length. Such certification shall be made in triplicate on form Cotton 221.

SEC. 504. Cotton Marketed by Publicly-Owned Agricultural Experiment Stations.—Except as set forth in sections 502 and 503, the penalty shall apply to any cotton grown by any publicly-owned agricultural experiment station which is not grown solely for experimental purposes. The penalty shall not apply to the marketing of

any cotton grown for experimental purposes only by any publicly-owned agricultural experiment station. [Sec. 372 (d).]

SEC. 505. Payment and Collection of Penalties.—(a) The penalty shall be due at the time the cotton is marketed by sale, barter, or exchange. Cotton shall be deemed to be sold when either title to or actual or constructive possession of the cotton is delivered by or on behalf of the producer or any part of the purchase price is paid. Cotton shall be deemed to have been marketed by barter or exchange when it is delivered to the transferee of the cotton by actual or constructive delivery or the transferor has received any part of the property, goods, or services for which the cotton is being bartered or exchanged. The penalty with respect to the marketing of cotton by sale to any person within the United States shall be collected by the buyer at the time of sale. The penalty with respect to the marketing of cotton by barter or exchange or by sale to any person not within the United States shall be paid by the producer liable for the penalty and may be collected by the person to whom such cotton is transferred, in the case of an exchange or barter, if the producer and the transferee of such cotton agree, as evidenced by the form Cotton 213 covering the transaction, that the penalty shall be collected by the transferee as in the case of the marketing of cotton by sale to any person within the United States. The penalty, if any, due with respect to the marketing of any cotton produced on any farm with respect to which a white marketing card (form Cotton 211) is issued shall not be collected by the buyer or transferee of such cotton but shall be paid by the producer who marketed such cotton.

(b) Any producer who would be liable for the penalty upon the marketing of any cotton produced by or for him may nevertheless pay such penalty prior to the time such cotton is marketed and the treasurer of the county committee for the county in which such cotton was produced shall receive the penalty as in the case of other penalties.

(c) The penalty may be collected by a buyer by deducting from the purchase price of the cotton the amount of the penalty due with respect to the marketing of such cotton.

(d) Any buyer or transferee of cotton who, as provided for in subsection (a), collects the penalty with respect to the marketing of cotton shall issue to the producer who paid the penalty a receipt. [Sec. 372.]

SEC. 506. Remittance of Penalties.—(a) The penalty shall be remitted not later than thirty calendar days next succeeding the day on which the cotton was marketed by the producer. For and on behalf of the Secretary of Agriculture, the treasurer of the county committee for the county in which the farm on which the cotton was produced is located shall receive the penalty and issue to the person remitting the penalty a receipt therefor on form Cotton 219 or form Cotton 219-A.

(b) The penalty shall be remitted only in legal tender or by draft, check, or money order drawn payable to the order of the treasurer of the county committee for the county in which the farm on which the cotton was produced is located. All checks, drafts, or money orders tendered in payment of the penalty shall be received by the treasurer of the county committee subject to collection and payment

at par, and any receipt issued in connection therewith as provided for in subsection (a) shall bear a notation to that effect and a description of the check, draft, or money order.

(c) The penalty collected by the buyer or transferee as provided for in section 505 shall be accompanied at the time it is remitted by a copy of the receipt issued by such buyer or transferee to the producer from whom the penalty was collected. [Sec. 372.]

SEC. 507. Penalties Secured by Bonds or Money Held in Escrow.—(a) In cases where the acreage planted to cotton in 1938 on any farm is in excess of the farm acreage allotment for the farm, the county committee, upon request of the owner or operator of such farm, may estimate the amount of the penalty which may become due with respect to the marketing of cotton produced on such farm in 1938 in excess of the farm marketing quota for the farm and the penalty, if any, with respect to the marketing of such cotton may be paid as provided for in subsection (d), *provided* that either (1) a good and sufficient bond of indemnity on form Cotton 215 is executed and filed with the treasurer of the county committee in an amount equal to not less than the amount of the estimated penalty for which the producers having an interest in the cotton crop produced on the farm would otherwise be liable upon the marketing of the cotton estimated to be produced in excess of the farm marketing quota or (2) an amount of money not less than the amount of such estimated penalty is deposited with the treasurer of the county committee to be held in escrow by him to secure the payment of any penalty which might accrue, or (3) it is estimated that the penalty will not be due with respect to the marketing of cotton produced on such farm in 1938 because it is estimated that the actual production of the acreage planted to cotton in 1938 on the farm will not exceed the normal production of the farm acreage allotment for the farm.

(b) Any bond pursuant to subsection (a) shall be made on form Cotton 215 and executed as principal by the owner or operator of the farm for and on behalf of each producer having an interest in the cotton crop or proceeds thereof produced in 1938 on such farm and as sureties by two owners of real property (other than such owner or operator or producer) situated within the county and shall contain the condition that so much of the principal sum of such bond as is equal to the penalty incurred shall be forthwith paid to the Secretary of Agriculture upon proof that the penalty secured thereby or any part or amount thereof has not been paid as provided for in subsection (d). The county committee shall examine the bond and, if it finds such bond to be good and sufficient and in proper form, the same shall be marked "Approved" and signed by a member of the committee acting for the committee and the bond shall be delivered to the treasurer of the county committee for safe-keeping. Any funds delivered to the treasurer of the county committee shall be held by him in escrow to secure the payment of the penalty shall be only in legal tender or in the form of a check, draft, or money order drawn payable to the order of the treasurer of the county committee and shall be deposited by him in a special deposit account as provided for in section 510. The treasurer shall issue a receipt for such funds to the person who tenders them to be held in escrow. Such funds shall be received subject to payment and collection at par, and the provisions of subsection (a) shall not

be operative in favor of any producer unless and until such check, draft, or money order tendered by him has been collected at par and the proceeds thereof are held in such special deposit account.

(c) In estimating the production of cotton for any farm under the terms of this section, the county committee shall take into consideration the appraised yield of the cotton crop and the number of acres planted to cotton on the farm. Such estimate shall be made after bolls are formed on the cotton plants with respect to which the estimate is made. The number of pounds of lint cotton estimated to be produced on the farm in excess of the farm marketing quota shall be the amount by which the total estimated production of lint cotton in 1938 on the farm is in excess of the normal production of the farm acreage allotment established for the farm. Any bond or funds to be held in escrow pursuant to the foregoing provisions of this section shall be in an amount not less than the amount determined by multiplying two cents by the number of pounds so estimated to be produced in excess of the farm marketing quota.

(d) The owner or operator of a farm who has furnished bond or placed funds in escrow or the owner or operator of a farm with respect to which it was estimated that the actual production of the acreage planted to cotton in 1938 on the farm would not exceed the normal production of the farm acreage allotment for the farm, as provided for in this section, shall file a report with the county committee, as provided in section 603(b), for and on behalf of every producer having an interest in the cotton crop produced on such farm in 1938 or in the proceeds thereof. The report shall be in writing on form Cotton 217 and certified to be true and correct by the owner or operator, as the case may be, and shall show the amount of the penalty, if any, due with respect to the marketing of cotton in excess of the farm marketing quota for the farm. If the county committee finds such report to be true and accurate and in proper form, the same shall be marked "Approved" and signed by a member of the committee acting for the committee, and the report shall be delivered to the treasurer of the county committee. The amount of the penalty set forth in the report as approved by the county committee shall forthwith be paid to the treasurer of the county committee. If funds are held in escrow to secure payment of the penalty, the penalty shall be paid by the use of such funds or, in the event such funds are not sufficient to cover the amount of the penalty incurred, the producer or producers who incurred the penalty shall pay a sufficient additional amount. Any part of the funds held in escrow which is in excess of the amount of the penalty set forth in the report as approved by the county committee, shall be returned by the treasurer of the county committee to the owner or operator, as the case may be, against his receipt.

(e) If a producer is engaged in the production of cotton on more than one farm in the county on which the acreage planted to cotton in 1938 is in excess of the farm acreage allotment therefor, the county committee shall not accept funds to be placed in escrow or a bond to secure payment of the penalty under the terms of this section from or on behalf of such producer for any one such farm unless such funds or bond is offered and accepted with respect to all such

farms in the county on which such producer is so engaged in the production of cotton.

(f) The provisions of this section shall have no effect on the apportionment of the farm marketing quota for a farm among producers as provided for in section 205.

SEC. 508. Adjustment of Penalties by County Committees.—(a) Any farmer who has paid the penalty or a sum of money with respect to the marketing of cotton may request the county committee to review the amount so paid to determine whether the amount thereof is in excess of that due for any one or more of the following reasons:

1. The penalty or sum of money was paid with respect to the marketing of cotton produced on a farm on which the actual production of the farm acreage allotment for the farm is greater than the amount of the farm marketing quota for the farm as expressed in terms of the normal production of the farm acreage allotment for the farm;

2. The penalty or sum of money was paid with respect to the marketing of cotton produced on a farm for which the farm marketing quota was increased by a determination of a review committee appointed by the Secretary of Agriculture or as a result of a court review of the determination of the review committee;

3. The penalty or sum of money was paid with respect to the marketing of cotton produced on a farm on which the total amount of production in 1938 on the farm did not exceed 1,000 pounds of lint cotton;

4. The penalty or sum of money was paid with respect to the marketing of cotton the staple of which is $1\frac{1}{2}$ inches or more in length;

5. The penalty or sum of money was paid with respect to the marketing of cotton grown solely for experimental purposes by a publicly-owned agricultural experiment station; or

6. The penalty or sum of money was paid through error.

(b) Any request for a review of the amount of the penalty or sum of money paid shall be made in writing and signed by the person claiming to have paid the penalty or sum in excess of that due. If the claim is made with respect to any of the matters set forth in subsection (a), the county committee and the treasurer of the county committee shall determine the total amount of the penalty due with respect to the marketing of cotton in excess of the farm marketing quota for the farm and, on the basis of the apportionment or reapportionment of the farm marketing quota for such farm among the producers having an interest in the cotton crop or proceeds thereof produced in 1938 on such farm, shall determine the total amount of the penalty paid and the total amount of the penalty incurred by the claimant and all other producers having an interest in the cotton crop produced in 1938 on such farm. If the county committee and the treasurer of the county committee find that the amount paid with respect to the farm is in excess of the total amount of the penalty incurred and that the sum paid by the claimant is in excess of the total amount of the penalty due to be paid by him, the treasurer of the county committee shall pay to the claimant, insofar as the sum

in excess of the penalty due with respect to the farm and the amounts of such excess due other producers on the farm will permit, an amount not to exceed the sum paid by the claimant in excess of that due. If the county committee and the treasurer of the county committee find that the amount paid with respect to the farm is not in excess of the total amount of the penalty incurred, or that, if the amount paid with respect to the farm is in excess of the total amount of the penalty incurred, the amounts of such excess due other producers on the farm equals the total amount of such excess, the claim shall be disallowed and the claimant so notified in writing. Any determination made by the county committee and the treasurer of the county committee under the terms of this section shall not prejudice the right of any other person who has paid the penalty or a sum of money and who has an interest in the cotton crop produced on the farm with respect to which the determination was made to request the county committee and treasurer of the county committee to review the amount of the penalty or sum of money paid by him nor shall such determination prejudice the right of a claimant to file a claim with the Secretary of Agriculture in accordance with the procedure set forth in section 511. Any determination of the county committee and treasurer of the county committee under the terms of this section shall be made in writing and signed by at least one member of such committee and such treasurer and filed with such treasurer. The county committee shall conduct any investigation or hold any hearing it deems necessary for a proper settlement of a claim made pursuant to this section.

(c) If the county committee and the treasurer of the county committee upon their own motion determine that, for any reason which under the terms of these regulations, such committee and treasurer consider to be good and sufficient, any sum of money paid as the penalty by a producer who has not made a request for a review as provided for in subsection (a) is in excess of the amount of the penalty due by such producer, the county committee and the treasurer of the county committee shall review such sum in accordance with the procedure set forth in subsection (b) and pay to such producer the amount so determined which may be refunded to him, obtain a receipt therefor, and make and file a record of the transaction.

(d) No refund of the penalty or sum of money paid shall be allowed under this section unless the penalty or sum of money has been remitted to the treasurer of the county committee and has not been remitted by him to the Secretary of Agriculture.

SEC. 509. Remittance of Penalties to the Secretary of Agriculture by Treasurers of County Committees.—The county committee and the treasurer of the county committee shall at the end of each month examine the amounts of the penalties or sums of money paid with respect to the marketing of cotton in excess of the farm marketing quota for each farm in the county. If the amounts of the penalties or sums are correct, and if no request for a review has been made, the treasurer of the county committee shall forthwith remit such penalties to the secretary of the State committee who, in accordance with applicable instructions, shall remit them to the Secretary of Agriculture (addressed for the attention of the Comptroller, Agricultural Adjustment Administration, Washington, D. C.)

to be covered into the general fund of the Treasury of the United States, in accordance with existing procedure. [Sec. 372 (b).]

SEC. 510. Records and Accounts of Treasurers of County Committees.—(a) The treasurer of each county committee or his successor in office is hereby authorized and empowered to receive for and on behalf of the Secretary of Agriculture the penalties referred to in section 501 and each such treasurer or successor in office shall give, in accordance with established procedure of the United States Department of Agriculture, a good and sufficient bond, with a corporate surety approved by the Treasury Department of the United States, for the faithful discharge of the duties required of him under these regulations.

(b) Any funds received by the Treasurer of the county committee in payment of the penalties referred to in section 501 or to secure payment of such penalties as provided in section 507 shall immediately be deposited by him in a special deposit account in a bank, designated by the county committee as the depository of such funds, which is covered by deposit insurance with the Federal Deposit Insurance Corporation. The special deposit account shall be kept by the bank as a special deposit account and designated on its records as the "Cotton Special Deposit Trust Account, County Agricultural Conservation Association, _____, Treasurer." The funds deposited in the special deposit account shall be kept separate and apart from funds belonging to the bank or to any other account of the county agricultural conservation association or the county committee. At no time shall the balance in any such account exceed the sum of \$5,000.00, and where necessary the county committee shall designate one or more such banks in addition to that first designated in which shall be deposited the excess sums. The treasurer of the county committee shall deliver all checks, drafts, or money orders in payment of the penalties referred to in section 501 or to secure payment of such penalties as provided for in section 507 to the bank for immediate collection. The proceeds of such checks, drafts, or money orders, when collected, shall be placed in the special deposit account. Any funds received by the treasurer of the county committee pursuant to these regulations shall be withdrawn or disbursed only by checks drawn by him to carry out the provisions of these regulations. The Administrator shall provide for periodical reports from each treasurer as to the status of the special deposit account and for periodic examination in the office of the county committee of the records and documents in connection therewith.

(c) Whenever a treasurer of a county committee is succeeded in office, any funds received by his successor shall be deposited in a new special deposit account. The Administrator shall cause the account of the former treasurer to be audited, and no withdrawal or disbursement shall be made from the special deposit account of the former treasurer until such audit is completed. The special deposit account used by the former treasurer shall be closed by transferring the balance thereof into the account established by his successor, who shall thereupon assume charge of the records of the former treasurer. [Sec. 372 (b).]

SEC. 511. Refund of Penalties.—Whenever, pursuant to a claim filed with the Secretary of Agriculture within one year after payment to him of the penalty collected from any person, the Secretary of

Agriculture finds that the penalty was erroneously, illegally, or wrongfully collected he shall certify to the Secretary of the Treasury for payment to the claimant, in accordance with regulations prescribed by the Secretary of the Treasury, such amount as the Secretary of Agriculture finds the claimant is entitled to receive as a refund of all or a portion of the penalty. Any claim filed with the Secretary of Agriculture pursuant to this section shall be made in accordance with regulations to be prescribed by him. [Sec. 372 (c).]

SEC. 512. Court Proceedings to Collect Penalties.—It shall be the duty of the county committee to report in writing to the State committee forthwith each case of failure or refusal to pay the penalty or to remit the same to the Secretary of Agriculture when collected. It shall be the duty of the State committee to report each such case forthwith in writing in triplicate to the United States Department of Agriculture with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to collect the penalties, as provided for in section 376 of the Act. [Sec. 376.]

PART VI. RECORDS AND REPORTS

SECTION 601. Records to be Kept and Reports to be Submitted by Ginners.—(a) Each ginner shall record on form Cotton 216 with respect to all cotton of the 1938 crop ginned by him (1) the date of ginning, (2) the name of the operator of the farm on which the cotton was produced, (3) the name of the producer of the cotton, (4) the gin bale number or mark, (5) the county in which the farm on which the cotton was produced is located, (6) the gross weight of each bale, or lot of cotton if less than a bale, ginned for each producer, and (7) the serial number of the farm on which the cotton was produced.

(b) The original of the ginning record provided for in subsection (a), shall be made for each period beginning with the first day of each month and ending on the fifteenth day of such month and for each period beginning with the sixteenth day of each month and ending on the last day of such month during which any cotton from the 1938 crop is ginned by the ginner. The record shall be submitted to the treasurer of the county committee for the county in which the gin is located not later than 5 calendar days next succeeding the last day of the period covered by the report. A copy of such record shall be retained by the ginner.

(c) Any ginner failing to keep any record or make any report as required by this section or making any false report or false record shall, as provided for in section 373 (a) of the Act, be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500.00. [Sec. 373 (a).]

SEC. 602. Records to be Kept and Reports to be Submitted by Buyers.—(a) Each buyer shall keep records and make reports with respect to each transaction in which he purchases cotton during the marketing year, or prior to the beginning of the marketing year if the cotton was produced in the calendar year 1938, as follows:

1. If the cotton is identified to him or his agent by the use of a white marketing card (form Cotton 211), as provided for in

section 408 (b), or by the use of form Cotton 214, as provided for in section 408 (d), or by the use of a certificate issued to a publicly owned agricultural experiment station, as provided for in section 408 (e), the buyer or his agent shall not keep a record or make a report with respect to such cotton other than the record and report provided for in subsection (b) of this section.

2. If the cotton is identified to him or his agent by the use of a certificate on form Cotton 211-A, as provided for in sections 408 (b) and 408 (d), or by the certification of a Federally-licensed cotton classifier on form Cotton 221, as provided for in section 408 (f), the buyer or his agent shall examine and execute each such certificate and shall retain the original thereof and shall forward one copy thereof on the postal card to the treasurer of the county committee of the county in which the cotton covered thereby was produced and one copy thereof shall be retained by the producer of the cotton covered thereby.

3. If the cotton is identified to him or his agent by the use of a red marketing card (form Cotton 212) and form Cotton 213 at the time cotton is purchased directly from and in the presence of the producer or his agent holding his marketing card, as provided for in section 408 (c), the buyer or his agent, with the assistance of the producer, shall execute form Cotton 213 in triplicate by entering thereon, in the spaces provided, (1) the amount, if any, of the unused portion of the farm marketing quota or producer marketing quota, (2) the amount of lint cotton purchased from the producer in the particular transaction, (3) the amount of the farm marketing quota or producer marketing quota, as the case may be, remaining after deducting the amount of cotton purchased from the producer in the particular transaction from the amount of the unused portion of the farm marketing quota or producer marketing quota, as the case may be, or the amount of lint cotton purchased from the producer in the particular transaction which is in excess of the unused portion of the farm marketing quota or producer marketing quota, (4) the amount of the penalty, if any, which is due with respect to the lint cotton marketed in the particular transaction, (5) the gin bale numbers or marks of the cotton purchased in the particular transaction, (6) the date on which the cotton was purchased, (7) the fact that the penalty with respect to the marketing of the cotton was or was not collected, (8) the name of the producer to whom the red marketing card (form Cotton 212) was issued, (9) the State and county code number and the serial number of the farm on which the cotton was produced, and (10) the name and address of the buyer. After such entries have been made, form Cotton 213 shall be executed by the buyer and the producer who shall certify to the correctness of the entries. In case cotton is purchased in the seed, the buyer and the producer shall estimate the amount of lint cotton for the purpose of entering the information required to be shown on form Cotton 213 and shall enter thereon in lieu of the gin bale numbers or marks the number of pounds of seed cotton marketed in the particular transaction followed by the words "pounds of seed cotton." Form Cotton 213 so executed by the buyer and the producer shall be the receipt from the buyer to the producer for the amount of

the penalty, if any, collected by the buyer as provided for in section 505. One copy of form Cotton 213 executed as provided for in this paragraph shall be retained by the producer, the original thereof shall be retained by the buyer, and the copy thereof on the postal card shall (1) be forwarded by the buyer to the treasurer of the county committee by depositing it in the United States mails, if no penalty was collected with respect to the marketing of the cotton covered thereby, or (2) delivered by the buyer to the treasurer of the county committee at the time the penalty with respect to the marketing of the cotton covered thereby is remitted as provided for in section 506 (a).

4. If the cotton is identified to him or his agent by the use of form Cotton 213 when the cotton is marketed by telephone, telegraph, or letter, or by any means or method other than directly to and in the presence of the producer or his agent holding his marketing card, as provided for in section 408 (c), the buyer or his agent shall examine the original of form Cotton 213 and the copy thereof on the postal card submitted by the producer and, if the information required to be shown thereon as provided for in paragraph 3 of this subsection has been correctly entered thereon by the producer, the buyer or his agent shall execute the original and copy thereof and state therein the fact that the penalty due with respect to the marketing of such cotton was or was not collected, as the case may be, and enter the date and place of his signature. Form Cotton 213 may be returned by the buyer or his agent to the producer or his agent for the purpose of correcting any errors made in its execution by the producer or his agent. The original of form Cotton 213 so executed shall be retained by the buyer and the copy thereof on the postal card transmitted to the treasurer of the county committee in the manner provided in paragraph 3 of this subsection. The buyer or his agent shall execute and transmit to the producer a receipt in a form acceptable to the producer for the amount of the penalty, if any, collected.

5. If the cotton is identified to him or his agent by the use of a red marketing card (form Cotton 212) and form Cotton 213 and the producer or his agent presents to the buyer or his agent a receipt or receipts, describing the cotton purchased in the particular transaction, executed by the treasurer of the county committee on form Cotton 219-A as evidence of the fact that the penalty with respect to the marketing of the cotton described in such receipt or receipts has been paid in advance by the producer, as provided for in paragraph 6 of section 603 (a), the buyer or his agent shall execute form Cotton 213 in the manner provided for in paragraph 3 or 4, whichever is applicable, of this section, except that the buyer shall state therein the fact that the penalty was not collected by him. The original of form Cotton 213 and the original of each form Cotton 219-A relating thereto shall be retained by the buyer.

(b) Persons buying cotton are hereby requested, in conformity with section 373 (a) of the Act, to report to the Secretary of Agriculture in the following manner the following information and to keep the following records on form Cotton 220, which information

and records the Secretary of Agriculture hereby finds to be necessary to enable him to carry out with respect to cotton the provisions of Title III of the Act. In the event it is found by the county committee, upon the basis of evidence submitted to it or upon the basis of an investigation made or caused to be made by it, that any buyer has failed to collect the penalty on any cotton which he has purchased, the marketing of which is subject to the penalty and was so identified to him as provided for in section 408, or that any buyer has purchased any cotton without requiring the seller thereof to identify such cotton as provided for in section 408, the buyer shall, within 15 days after being requested to do so in writing deposited in the United States mail, registered and addressed to such buyer at his last-known address by such county committee, make a report to such committee on all the cotton which he has purchased during the marketing year up to and including the day on which he was so notified, in order that the county committee may make an investigation or an additional investigation to determine whether any cotton purchased during such time by such buyer was cotton the marketing of which was subject to the penalty and the penalty was not collected. Such report shall include for each bale, or lot of cotton if less than a bale, purchased during such time by such buyer (1) the name and address of the producer from whom the bale or lot of cotton was purchased, (2) the gin bale number or mark on the bale of cotton, (3) the number of pounds of lint cotton in the bale or lot, (4) a statement as to whether the buyer collected the penalty with respect to the marketing of the bale or lot of cotton, and (5) the amount of the penalty if it was collected. Such information shall be reported on form Cotton 220 and the buyer shall submit with such report a statement verified by affidavit that the report is true and correct to his best knowledge.

(c) Any person engaged in the business of purchasing cotton from producers failing to keep any record or make any report as required by this section or making any false report or false record shall, as provided for in Section 373 (a) of the Act, be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500.00. [Sec. 373 (a).]

SEC. 603. Records to be Kept and Reports to be Submitted by Producers.—(a) A producer to whom a red marketing card (form Cotton 212) was issued shall keep the following records in connection with all cotton marketed by him:

1. If the producer or his agent markets cotton by sale directly to and in the presence of the buyer or his agent, the producer or his agent shall execute the applicable portion of form Cotton 213 and assist the buyer or his agent in the execution thereof as provided for in paragraph 3 of section 602 (a) and one copy thereof so executed by the buyer and the producer or their agents shall be retained by the producer.

2. If the producer or his agent markets cotton by sale by telephone, telegraph, or letter, or by any means or method other than directly to and in the presence of the buyer or his agent, the producer or his agent shall execute form Cotton 213 by showing therein the information provided for in paragraph 3 of section

602 (a) and shall (1) retain one copy thereof so executed and (2) transmit the original thereof and the copy thereof on the postal card to the buyer or his agent by attaching the original and copy thereof on the postal card so executed to the bill of lading or the draft or bill of exchange used in the transaction or by any other means or method consistent with the nature of the transaction.

3. If the producer or his agent markets cotton by barter or exchange directly to and in the presence of the transferee or his agent, the producer or his agent shall execute form Cotton 213 and assist the transferee or his agent in the execution thereof as provided for in section 604 and one copy thereof so executed by the transferee and the producer or their agents shall be retained by the producer and the original thereof delivered to the transferee. The copy of form Cotton 213 on the postal card shall be (1) delivered to the transferee or his agent if the transferee collected the penalty, if any, with respect to the marketing of the cotton as provided for in section 505 (a) or (2) forwarded by the producer to the treasurer of the county committee by depositing it in the United States mails if no penalty was incurred with respect to the marketing of the cotton or (3) delivered by the producer to the treasurer of the county committee at the time the producer remits the penalty with respect to the marketing of the cotton as provided for in section 506 (a).

4. If the producer or his agent markets cotton by barter or exchange by telephone, telegraph, or letter, or by any means or method other than directly to and in the presence of the transferee or his agent, the producer or his agent shall execute form Cotton 213 by showing therein the information provided for in paragraph 3 of section 602 (a) and the producer or his agent shall (1) retain one copy thereof so executed and (2) transmit the original thereof to the transferee or his agent and (3) transmit the copy thereof on the postal card to the transferee or his agent if the transferee collected the penalty, if any, with respect to the marketing of the cotton as provided for in section 505 (a), or deliver the copy thereof on the postal card to the treasurer of the county committee at the time the producer remits the penalty with respect to the marketing of the cotton as provided for in section 506 (a), or forward it to the said treasurer by depositing it in the United States mails if no penalty was incurred with respect to the marketing of the cotton. If the penalty is collected by the transferee in such a transaction, as provided for in section 505 (a), he or his agent shall execute and transmit to the producer a receipt for the penalty collected in a form acceptable to the producer.

5. If the producer or his agent markets the cotton to any person not within the United States, the producer or his agent shall execute form Cotton 213 by showing therein the information provided for in paragraph 3 of section 602 (a) and shall indicate in the space provided thereon for the signature of the buyer or transferee that the buyer or transferee is a person not within the United States. The producer shall retain one copy of form Cotton 213 so executed and shall forward the original

thereof and copy thereof on the postal card to the treasurer of the county committee together with the penalty, if any, incurred with respect to the marketing of such cotton.

6. If the producer pays the penalty with respect to the marketing of any cotton prior to the time such cotton is marketed, as provided for in section 505 (b), the treasurer of the county committee to whom such penalty is paid shall execute, in triplicate, form Cotton 219-A by describing therein the cotton with respect to the marketing of which the penalty has been paid and shall retain one copy thereof and deliver the original and one copy thereof to the producer. The original of form Cotton 219-A so executed shall be delivered by the producer or his agent to the buyer or transferee of the cotton described therein at the time such cotton is marketed, and the producer or his agent shall execute form Cotton 213 with respect to such cotton in accordance with the foregoing provisions of this subsection.

7. Any operator or producer to whom a red marketing card (form Cotton 212) is issued shall, upon executing a form Cotton 213 covering cotton the beneficial title to any part or all of which was originally held by one or more other producers, forthwith execute form Cotton 222 in duplicate, retain the copy thereof and forward the original to the treasurer of the county committee for the county in which such form Cotton 213 was issued. Form Cotton 222 so executed shall be identified with the form Cotton 213 to which it relates and shall show the name of each such producer and the share of each such producer in the cotton covered by such form Cotton 213.

(b) The operator of each farm on which the acreage planted to cotton in 1938 is in excess of the farm acreage allotment for the farm shall file with the county committee after all the cotton on the farm has been harvested or January 1, 1939, whichever is the earlier, a report on form Cotton 217 showing (1) the total pounds of lint cotton produced in 1938 by all producers on the farm, (2) the pounds of lint cotton carried over into the marketing year from any previous crop by each producer on the farm, (3) the producer marketing quota for each producer on the farm, (4) the amount of lint cotton produced on each producer's acreage share of the acreage planted to cotton in 1938 on the farm, (5) the amount of cotton marketed by each producer prior to the date of submitting this report, (6) the pounds of lint cotton sold by each producer, the marketing of which is or was subject to the penalty, (7) the amount of the penalty paid by each producer, (8) the pounds of lint cotton each producer has on hand which has not been marketed at the time of submitting the report, and (9) the estimated amount of lint cotton that each producer will harvest from the 1938 crop after the report is submitted. In the event the total production of cotton in 1938 on such farm is not harvested or marketed prior to January 1, 1939, the operator shall make on form Cotton 217 and file with the county committee an additional report of the information required by this subsection after the total production of cotton in 1938 on such farm has been harvested and marketed or not later than August 1, 1939, whichever is the earlier. [Sec. 373 (b).]

SEC. 604. Records to be Kept and Reports to be Submitted by Transferees.—Each transferee of cotton shall execute form Cotton 213 by signing his name thereon in the space provided and by stating therein whether the penalty, if any, with respect to the marketing of such cotton was or was not collected by him from the producer. The original of form Cotton 213 so executed shall be retained by the transferee. If the transferee collected the penalty with respect to the marketing of such cotton as provided for in section 505 (a), he shall issue and deliver to the producer who paid the penalty a receipt and receive from the producer the copy of form Cotton 213 on the postal card and deliver it to the treasurer of the county committee at the time of remitting the penalty as provided for in section 506.

SEC. 605. Data to be Kept Confidential.—All data reported to or acquired by the Secretary of Agriculture pursuant to and in the manner provided in this Part VI shall be kept confidential by all officers and employees of the United States Department of Agriculture, members of county committees, other local committees, and State committees, county agents, and the employees of such committees and of county agents' offices, and shall not be disclosed to anyone not having an interest in or responsibility for any cotton, farm, or transaction covered by the particular data, record, information, report, or form and only such data so reported or acquired as the Secretary of Agriculture deems relevant shall be disclosed by them to anyone not having such an interest or not being employed in the administration of the Act and then only in a suit or administrative hearing under Title III of the Act. [Sec. 373 (c).]

SEC. 606. Enforcement.—It shall be the duty of the county committee to report in writing to the State committee forthwith each case of failure or refusal to make any report or keep any record as required by these regulations and each case of making any false report or record. It shall be the duty of the State committee to report each such case forthwith in writing in triplicate to the United States Department of Agriculture with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to enforce the provisions of Title III of the Act. [Sec. 376.]

PART VII. MISCELLANEOUS

SECTION 701. Forms and Instructions.—The Administrator of the Agricultural Adjustment Administration shall cause to be prepared and issued with his approval such instructions (as parts of the general series referred to in section 107) and such forms as may be required to carry out these regulations. Copies of such forms and necessary instructions shall be furnished free to persons needing them upon request made to the office of the appropriate county committee.

SEC. 702. Interim Marketing Cards, Marketing Certificates, and Penalty Receipts.—Whenever the regional director shall authorize the use of form Cotton 223 in lieu of the red marketing card (form Cotton 212) and form Cotton 224 in lieu of the marketing certificate and penalty receipt (form Cotton 213), form Cotton 223 and form

Cotton 224 shall be issued, accounted for, used, and executed in the manner herein otherwise provided in the case of form Cotton 212 and form Cotton 213, respectively, *provided*, that the use of any forms Cotton 223 or 224 shall not be authorized if forms Cotton 212 and 213 are available for use.

SEC. 703. **Long Staple Cotton.**—Except as herein otherwise specifically set forth the provisions of these regulations do not apply to cotton the staple of which is 1½ inches or more in length. [Sec. 350.]

PART VIII. DEFINITIONS

SECTION 301. **Definitions.**—As used in these regulations and in all forms and documents in connection therewith, unless the context or subject matter otherwise requires;

1. **ACT** means the Agricultural Adjustment Act of 1938 and any amendments thereto.

2. **SECRETARY OF AGRICULTURE** means the Secretary of Agriculture of the United States.

3. **ADMINISTRATOR** means the Administrator of the Agricultural Adjustment Administration of the United States Department of Agriculture.

4. **REGIONAL DIRECTOR** means the director of the division of the Agricultural Adjustment Administration in charge of the administration of Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act in the region.

5. **EAST CENTRAL REGION** means the area included in the States of Delaware, Kentucky, Maryland, North Carolina, Tennessee, Virginia, and West Virginia.

6. **SOUTHERN REGION** means the area included in the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, and Texas.

7. **NORTH CENTRAL REGION** means the area included in the States of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

8. **WESTERN REGION** means the area included in the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming.

9. **STATE COMMITTEE** means the group of persons designated within any State to assist in the administration of Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act.

10. **COMMITTEE** means a committee within a county or community utilized under Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act. "County committee," "community committee," or "local committee" shall have corresponding meanings in the connection in which they are used.

11. **REVIEW COMMITTEE** means the review committee appointed by the Secretary as provided in Section 363 of the Act.

12. **PERSON** means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any agency of a State. The term "person" shall include two or more persons having a joint or common interest. Words importing the masculine gender may be applied to and include partnerships, firms, joint-stock com-

panies, corporations, associations, trusts, estates, agencies of a State, and women.

13. **OWNER** or **LANDLORD** means a person who owns farm land and rents such land to another person or operates such land.

14. **CASH TENANT** or **STANDING-RENT TENANT** or **FIXED-RENT TENANT** means a person who rents land from another for a fixed amount of cash or a commodity to be paid as rent.

15. **SHARE TENANT** means a person other than a sharecropper who rents land from another person and pays as rent a share of the crops or the proceeds thereof.

16. **SHARECROPPER** means a person who works a farm in whole or in part under the general supervision of the operator and is entitled to receive for his labor a share of a crop produced thereon or the proceeds thereof.

17. **OPERATOR** means a person who as a landlord or cash tenant or standing or fixed-rent tenant is operating a farm and is entitled to receive all or a portion of the crops produced thereon or the proceeds of such crops, or who as a share tenant is operating a whole farm and is entitled under a written or oral lease or agreement to receive a portion of the crops produced thereon or of the proceeds of such crops.

18. **PRODUCER** or **FARMER** means a person who is entitled to a share of the cotton crop, or the proceeds thereof, produced on the farm in 1938, as owner, landlord, cash tenant, standing-rent tenant, fixed-rent tenant, share tenant, or sharecropper. The term "producer" or "farmer" also includes a wage hand (or cropper) who as a laborer on a farm instead of receiving daily or other cash wages for his labor receives either all the cotton produced by him or another on an agreed or specified acreage or all the cotton produced on an agreed or specified portion of the acreage cultivated by him or another.

19. **BUYER** means a person who buys cotton from a producer.

20. **TRANSFeree** means a person who receives cotton from a producer by barter or exchange.

21. **GINNER** means a person who gins cotton.

22. **TREASURER OF THE COUNTY COMMITTEE** means the treasurer of the county agricultural conservation association or the treasurer of the county committee, as the case may be.

23. **FARM** means all adjacent or nearby farm land under the same ownership which is operated by one person, including also:

1. Any other adjacent or nearby farm land operated by the same person (as part of the same unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other land) the inclusion of which is requested or agreed to, within the time and in the manner specified by the Agricultural Adjustment Administration, by the operator and all the owners who are entitled to share in the proceeds of the crop on any of the land to be included in the farm, which request and agreement shall be applicable to the designation of the land included in such farm

both under the 1938 Agricultural Conservation Program and under these regulations;

2. Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops;

Provided, That land not under the same ownership shall be included in the same farm only if the county committee determines that all of such land is customarily regarded in the community as constituting one farm. A farm shall be regarded as located in the county or the local administrative area within the county, as the case may be, in which the principal dwelling is situated, or if there is no dwelling thereon it shall be regarded as located in the county or local administrative area, as the case may be, in which the major portion of the farm is located.

24. FARM MARKETING QUOTA means a cotton marketing quota established for a farm under section 201 of these regulations.

25. PRODUCER MARKETING QUOTA means a producer's share of a farm marketing quota.

26. FARM ACREAGE ALLOTMENT means a cotton acreage allotment established for a farm under section 104 or 105 of these regulations.

27. NORMAL YIELD PER ACRE OF LINT COTTON means the number of pounds of lint cotton established as the normal yield for the farm in accordance with section 106.

28. ACTUAL PRODUCTION of any number of acres of cotton on a farm means the actual average yield of lint cotton for the farm for 1938 times such number of acres.

29. NORMAL PRODUCTION as applied to any number of acres of cotton means the normal yield per acre of lint cotton for the farm times such number of acres.

30. LINT COTTON means the fiber taken from seed cotton by ginning.

31. SEED COTTON means the harvested fruit of the cotton plant before it is ginned.

32. GINNING means separating lint cotton from the seed.

33. MARKET means to dispose of by sale, barter, or exchange.

1. The term "sale" as used herein means any transfer of title to cotton by a producer to another by any means other than barter or exchange.

2. The terms "barter" and "exchange" mean transfer of title to cotton by a producer to another in return for cotton or other commodities, services, or property in cases where the value of the cotton or such other commodities, services, or property is not considered in terms of money, or the transfer of title to cotton by a producer to another in payment of a fixed rental or other charge for land.

3. "Marketed," "marketing," and "for market" shall have corresponding meanings to the term "market" in the connection in which they are used.

34. **MARKETING YEAR** means the period beginning on August 1, 1938, and ending with July 31, 1939, both dates inclusive.

35. **PENALTY** means the penalty provided in Section 348 of the Act.

36. **STATE AND COUNTY CODE NUMBER** means the applicable number assigned by the Agricultural Adjustment Administration to each county for the purpose of identification.

37. **SERIAL NUMBER OF THE FARM** or **FARM SERIAL NUMBER** means the serial number assigned to a farm.

38. **GIN BALE NUMBER** or **MARK** means the number on the bale tag or any mark made or used by the ginner to identify a bale of cotton.



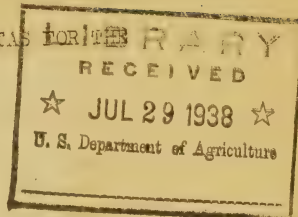
UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration

REGULATIONS PERTAINING TO COTTON MARKETING QUOTAS

1938-1939 MARKETING YEAR

Issued June 25, 1938.

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REGULATIONS PERTAINING TO COTTON MARKETING QUOTAS FOR THE
1938-1939 MARKETING YEAR

United States Department of Agriculture

Office of the Secretary.

By virtue of the authority vested in the Secretary of Agriculture by Title III of the Agricultural Adjustment Act of 1938 (Public Law No. 430, 75th Congress, approved February 16, 1938), as amended, I do make, prescribe, publish, and give public notice of the following regulations governing cotton marketing quotas for the 1938-1939 marketing year, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture under said Act.*

Done at Washington, D. C.,
this 25th day of June, 1938.
Witness my hand and the seal of
the Department of Agriculture.

H. A. Wheeler

Secretary of Agriculture.

*Unless otherwise indicated, all citations herein are to sections of the Agricultural Adjustment Act of 1938, approved February 16, 1938 (Public Law No. 430, 75th Congress, 52 Stat. 31, as amended).

PART I. ALLOTMENTS AND YIELDS

Section 101. National Baleage Allotment.- The national allotment of cotton for the calendar year beginning January 1, 1938, is 10,000,000 standard bales of 500 pounds gross weight, increased by that number of standard bales of 500 pounds gross weight equal to the production in 1938 of that number of acres required to be allotted for 1938 as set forth in section 102(c), relating to minimum State acreage allotments, and in section 103(b), relating to minimum county acreage allotments. The production in 1938 of the acreage allotment referred to in section 102(e), relating to a special fund of acreage allotments consisting of 4 percent of the State acreage allotment, and in section 102(f), relating to minimum farm acreage allotments, shall be in addition to such national allotment. [Sec. 343(a), (b), and (c).]

Section 102. State Baleage Allotments and State Acreage Allotments.- (a) Ten million standard bales of the national baleage allotment of cotton for the calendar year 1938 shall be apportioned among the several States on the basis of the average of the normal production of cotton in each State for the five years 1933 to 1937. The normal production of a State for each such year shall be (1) the quantity of cotton produced therein in such year plus (2) the normal production of the acres diverted from the production of cotton in all counties in the State under the agricultural adjustment or conservation program in such year. The normal production of the acres diverted from the production of cotton in any county in any year shall be the average yield per acre of the acres planted to cotton in such county in such year times the number of acres so diverted in such county in such year. [Sec. 344(a).]

(b) A State acreage allotment shall be established for each State to which an allotment is made under subsection (a) of this section. The State acreage allotment shall be that number of acres equal to the result obtained by dividing the number of standard bales allotted to the State under subsection (a) of this section by the average yield per acre for the State expressed in standard bales. The average yield per acre for any State shall be determined on the basis of the average of the normal production for the State for the five years 1933 to 1937 and the average, for the same period, of the acres diverted from the production of cotton in the State under the agricultural adjustment or conservation programs and the acres planted to cotton. [Sec. 344(b).]

(c) Notwithstanding the foregoing provisions of this section, the State acreage allotment for any State which is less than 5,000 acres shall be increased to 5,000 acres if at least 3,500 bales of cotton were produced in such State in any of the five years 1933 to 1937. [Sec. 344(e)(2).]

(d) An acreage not greater than two percent of the State acreage allotment shall be made available for apportionment to farms in the State on which cotton was not planted in any one of the three years 1935, 1936, and 1937. [Sec. 344(c)(2).]

(e) In addition to the State acreage allotment, a special fund of acreage allotments equal to 4 percent of the State acreage allotment shall be established for each State for apportionment as set forth in sections 103(c) and 104(b), (e); and (f). [Sec. 344(g).]

(f) There shall be available in each State for allotment to farms that number of acres, in addition to the State acreage allotment and the special fund of acreage allotments equal to 4 percent of the State acreage allotment, equal to the total amount by which farm acreage allotments in the State are increased as set forth in section 104(h) relating to minimum farm acreage allotments. [Sec. 344(h).]

Section. 103. County Acreage Allotments.- (a) The State acreage allotment (less that part set aside under section 102(d) for apportionment to new farms) shall be apportioned among the counties in the State on the basis of the sum of (1) the acreage therein planted to cotton during the five years 1933 to 1937 and (2), in the applicable years, the acreage therein diverted from the production of cotton under agricultural adjustment and conservation programs, with adjustments for abnormal weather conditions and trends in acreage during such five-year period. [Sec. 344(c)(1).]

(b) The acreage allotment for each county to which an allotment is apportioned under subsection (a) of this section shall be increased by the number of acres, if any, required to provide an acreage allotment for each such county of not less than 60 percent of the sum of (1) the acreage therein planted to cotton in 1937 and (2) the acreage therein diverted from the production of cotton in 1937 under the agricultural conservation program. The acreage so diverted shall be estimated in case data are not available at the time of making such allotment of additional acreage. [Sec. 344(c)(1).]

(c) If the acreage allotment for any county is inadequate and not representative in view of the past production of cotton therein, the acreage allotment for such county shall be increased, after considering the increases set forth in section 104(b) and (e), from any acreage remaining in the special fund of acreage allotments referred to in section 102(e) after the allotments set forth in section 104(b) and (e) have been made out of such fund. The apportionment under this subsection shall be made first to that county in which there is the highest relative disparity between the county acreage allotment established in accordance with subsections (a) and (b) and a county acreage allotment which is adequate and representative in view of the past production of cotton in such county; and thereafter such county and in turn other counties in which there is a disparity, but to a smaller degree, shall participate in the apportionment of such remainder of the special fund as is available until existing relative disparities have been reduced to a minimum, which shall be the same for all such counties in the State, or have been extinguished. Sec. 344(g)(2).

(d) If in any county there are one or more areas which, because of difference in types, kinds, and productivity of the soil or other conditions, should be treated separately in order to prevent discrimination, each such area shall be designated by the county committee and the county acreage allotment, including the allotment, if any, made to such county as set forth in subsection (c), shall be apportioned among such areas (1) on the basis of the acreage in each such area planted to cotton in 1937 plus the acreage therein diverted from the production of cotton in 1937 under the agricultural conservation program, or (2) if conditions affecting the acreage planted to cotton were not reasonably uniform throughout the county in 1937, on the basis of the cotton base acreage in each such area which was or could have been established in 1937 under the agricultural conservation program. Sec. 344(f).

Sec. 104. Apportionment of Acreage Allotments Among Established Farms.- (a) The county committee, with the assistance of other local committees established in the county, shall apportion, in the manner set forth in this section, acreage allotments among all farms in the county on which cotton was planted in any one of the three years 1935 to 1937. The acreage allotments to be apportioned among such farms shall consist of (1) the regular county acreage allotment, consisting of an apportionment of the State acreage allotment made to the county, with such increase in the county acreage allotment as is necessary to provide for the county a minimum acreage allotment of not less than 60 percent of the planted plus diverted cotton acreage in the county in 1937, and (2) a distributive part, applicable to the county, of the

special fund of acreage allotments consisting of that amount which is equal to 4 percent of the State acreage allotment. This distributive part, hereinafter referred to as the "special fund," is to be applied, insofar as the amount thereof will permit, and in the following order: (a) in supplying any deficiency in the regular county acreage allotment for the making of initial acreage allotments not exceeding five acres for each such farm; (b) in supplementing any acreage allotment made to any farm out of the regular county acreage allotment which, in consequence of the making of such initial acreage allotments, is inadequate and unrepresentative, and (c) in supplementing the regular acreage allotment made to the county which, in view of the past production of cotton in the county, is inadequate and unrepresentative. The committee shall not establish any farm acreage allotment which is not covered by the allotments mentioned above, except that after but not before the apportionment among farms of all the allotments mentioned above in this subsection an additional farm acreage allotment shall be made, as set forth in subsection (h), to any farm in respect to which the acreage allotment otherwise made is less than the minimum acreage allotment set forth in said subsection. The term "planted plus diverted cotton acreage", as used in this section, shall be taken to mean the sum of the acreage planted in cotton and the acreage diverted from cotton production under agricultural adjustment or conservation programs. Sec. 344(d), (e), (f), (g), (h).7

(b) The regular county acreage allotment shall be first apportioned among such farms, and in making such apportionment there shall be first established for each such farm an initial acreage allotment equal to the highest planted plus diverted cotton acreage on the farm in any one of said three years, provided that no initial allotment shall exceed five acres for any such farm. These allotments shall be known as initial allotments and are referred to accordingly in this section. Any deficiency in the amount of the regular county acreage allotment for the making of such initial allotments shall be supplied by the use of the special fund of acreage allotments, insofar as said fund will permit. Sec. 344(d) (1).7

(c) In the event that the regular county acreage allotment is more than sufficient to make the initial allotments, there shall be set aside, for increase of allotments to small farms, as set forth in subsection (g), an amount of not more than 3 percent of that amount of the regular county acreage allotment which remains after making the initial allotments. Sec. 344(d) (2).7

(d) The remainder of the regular county acreage allotment shall be apportioned among all farms on which the highest planted plus diverted cotton acreage in any one of said three years was more than five acres. The acreage thus to be apportioned to each such farm shall, together with the initial allotment made to the farm, be a percentage (which shall be the same percentage for all farms in the county or administrative area within the county) of the acreage on the farm in 1937 which is tilled annually or in regular rotation, excluding therefrom the acreage devoted to the production of sugarcane for sugar, wheat, tobacco, or rice for market, or wheat or rice for feeding to livestock for market. [Sec. 344(d) (3).]

(e) If, as a result of the making of initial allotments, the farm acreage allotments for farms made in accordance with subsection (d) are substantially smaller than the farm acreage allotments which would have been made without regard to any provision for the making of initial allotments, the farm acreage allotments to such farms shall be increased to the acreage which would have resulted in the absence of any provision for the making of initial allotments, insofar as any portion of the special fund of acreage allotments not used in the making of initial allotments will permit. [Sec. 344(g)(2).]

(f) The additional acreage allotment, if any, received by the county, consisting of that part of the special fund of acreage allotments not used in, or in consequence of, the making of initial acreage allotments as aforesaid, shall be apportioned, in accordance with the provisions of subsection (d), among farms receiving allotments under said subsection. [Sec. 344(g)(3).]

(g) Any farm acreage allotment made as aforesaid of more than five acres, but not exceeding 15 acres, may be increased from the reserve of not more than 3 percent of the county acreage allotment mentioned in subsection (c). In making such increase due consideration shall be given to, and such allotments shall be made on the basis of, the land, labor, and equipment available for the production of cotton, crop rotation practices, and the soil and other facilities affecting the production of cotton. [Sec. 344(d)(2).]

(h) Notwithstanding any other provision of this section, (1) the farm acreage allotment made to any farm shall not exceed the highest planted plus diverted cotton acreage in any one of said three years, and (2) any farm acreage allotment which after but not before the apportionment of all acreage allotments,

as provided in the foregoing subsections of this section, is less than 50 percent of the planted plus diverted cotton acreage on the farm in 1937, shall be increased to such amount, provided that such increase shall not be so made as to raise the cotton acreage of the farm above 40 percent of the acreage on the farm which, as determined in accordance with applicable instructions, is tilled annually or in regular rotation. The acreage allotments required to effect this minimum provision shall be in addition to all acreage allotments represented by the regular county acreage allotment and by the special fund of acreage allotments. [Sec. 344(d)(3), Sec 344(h).]

(i) After making the allotments under this section, any part of the acreage allotted to individual farms which it is determined, in accordance with applicable instructions, will not be planted to cotton in 1938, shall be deducted from the allotments to such farms and may be apportioned in accordance with applicable instructions, preference being given to farms in the same county receiving allotments which are inadequate and not representative in view of the past production of cotton and the acreage diverted from the production of cotton on such farms under the agricultural conservation program in 1937. Any transfer of allotments for 1938 as set forth in this subsection shall not affect apportionment for any subsequent year. The allotment for any farm shall not be increased under this subsection to an acreage greater than the highest planted plus diverted cotton acreage on the farm in any one of the three years 1935 to 1937, nor to an acreage greater than 40 percent of the acreage on such farm which is tilled annually or in regular rotation. [Sec. 344(h).]

Sec. 105. Apportionment of Acreage Allotments Among New Farms.- The county committee, with the assistance of other local committees, shall, in accordance with applicable instructions, apportion among farms on which cotton was not planted in any one of the three years 1935 to 1937 and on which cotton is planted in 1938 the distributive part, applicable to the county, of acreage allotments which constitute a reserve of not more than 2 percent of the State acreage allotment. The basis of the apportionment shall be the land, labor, and equipment available, on the farm for the production of cotton, crop rotation practices thereon, and the soil and other physical facilities affecting the production of cotton thereon. [Sec. 344(c)(2).]

Sec. 106. Normal Yields.- (a) The county committee, with the assistance of the other local committees established in the county, shall determine the normal yield per acre of lint cotton for each farm for which a farm acreage allotment is established.

(b) Where reliable records of the actual average yield of lint cotton per acre for all of the five years 1933 to 1937 are presented by the farmer or are available to the committee, the normal yield per acre of lint cotton for the farm shall be the average of such yields adjusted, in accordance with applicable instructions, for abnormal weather conditions.

(c) If for any year of the five-year period 1933 to 1937 (1) records of the actual average yield are not available, or (2) there was no actual yield because cotton was not planted in such year, the normal yield per acre of lint cotton for the farm shall be appraised by the county committee, taking into consideration the normal yield for the county, the yield in the years for which data are available, and the rainfall, temperature, and other weather conditions during the years for which data are available as compared with those for which data are not available, provided the appraised yield so obtained shall be adjusted in accordance with subsection (d) of this section.

(d) The yields determined under subsection (c) of this section shall be adjusted so that the average of the normal yields per acre of lint cotton determined for all farms in the county or local administrative area therein (weighted by the cotton acreage allotments established for such farms) shall conform to the county normal yield per acre of lint cotton established for 1938 by the Secretary of Agriculture. [Sec. 301(b) (13)(B) and (E).]

Sec. 107. Applicability of Detailed Instructions.- The provisions of Part I hereof shall be carried out in detail in accordance with the provisions of Part I, "Determining 1938 Farm Cotton Acreage Allotments and Yields", of the following instructions applicable to the regions indicated below:

| | |
|-----------------------|--|
| Southern Region: | Cotton 208-SR, "Instructions Pertaining to Cotton Marketing Quotas for 1938". |
| East Central Region: | Cotton 208-ECR, "Instructions Pertaining to Cotton Marketing Quotas for 1938". |
| Western Region: | Cotton 208-WR, "Instructions Pertaining to Cotton Marketing Quotas for 1938". |
| North Central Region: | Cotton 208-NCR, "Instructions Pertaining to Cotton Marketing Quotas for 1938". |

PART II. FARM MARKETING QUOTAS

Section 201. Amount of Farm Marketing Quota.— (a) The farm marketing quota for any farm for 1938 shall be that number of pounds of lint cotton equal to the sum of the following:

1. The amount of the normal production or the actual production, whichever is the greater, of the farm acreage allotment, and

2. The amount of cotton from any previous crop which the farmer has on hand.

(b) 1. Notwithstanding the foregoing provisions of this section, the amount of the normal production of the farm acreage allotment, plus the amount of cotton from any previous crop on hand, shall be considered to be the farm marketing quota for any farm on which the acreage planted to cotton in 1938 is in excess of the farm acreage allotment for the farm, unless and until it is determined by the county committee that the actual production of the farm acreage allotment for such farm, as shown by the reports of cotton ginned from the farm or other satisfactory evidence, is in excess of the normal production of the farm acreage allotment.

2. If and when the actual production for 1938 of the farm acreage allotment for any such farm, as shown by the reports of cotton ginned from the farm or other satisfactory evidence, is found by the county committee to be in excess of the normal production of the farm acreage allotment, it shall adjust said farm marketing quota for the farm upward by that amount by which the actual production of the farm acreage allotment exceeds the normal production thereof. Such adjustment shall be made as soon as practicable after all the cotton produced on the farm in 1938 has been harvested and satisfactory records pertaining thereto have been presented or are available; however, one such adjustment with respect to any such farm may be made earlier if requested by the operator of such farm and deemed by the county committee, on the basis of the amount of cotton produced on the farm in 1938 that has been harvested at the time of the request, to be justifiable. [Sec. 346(a).]

Sec. 202. Publication of Farm Acreage Allotments and Farm Marketing Quotas. - (a) Immediately upon the establishment of farm acreage allotments and the determination of normal yields per acre of lint cotton for farms in a county or other local administrative area, the county committee shall prepare a list on form Cotton 210 showing the calendar year for which the farm acreage allotments are made and the marketing year for which the farm marketing quotas shown are in effect and giving for each farm for which a farm acreage allotment is established (1) the farm acreage allotment, (2) the normal yield per acre of lint cotton, (3) the farm marketing quota (for the purpose of publishing farm marketing quotas, the farm marketing quota for each farm shall be expressed in terms of the normal production of the farm acreage allotment), (4) the name of the owner or operator and the legal description or location of the farm or the name by which it is commonly known, and (5) the farm serial number.

(b) A copy of the list prepared pursuant to subsection (a) shall be permanently kept freely available for public inspection in the office of the county committee and a copy of it shall be posted for not less than thirty days in a conspicuous place in the county (or in each local administrative area in the county if the county is divided into two or more local administrative areas for the purposes of the cotton marketing quota provisions of the Act). Another copy of such list shall be furnished to the county agricultural extension agent in the county, who shall keep the list permanently available for public inspection in his office. Each such list or copy shall be plainly marked on the front page "Property of the Government of the United States - - must not be removed, taken, carried away, mutilated, altered, destroyed, or concealed". [Sec. 362.]

Sec. 203. Notice of Farm Marketing Quotas. - (a) Immediately upon the establishment of farm acreage allotments and the determination of the normal yield per acre of lint cotton for farms in a county or other local administrative area, the county committee shall cause to be mailed to the operator of each farm for which such a farm acreage allotment is established a written notice on form Cotton 209 of the farm marketing quota for the farm. The notice shall contain at or near the top thereof the following statement: "To all persons who as operator, landlord, tenant, or sharecropper, are interested in the farm for which this quota is established". Notice so given shall constitute notice to all such persons. The notice shall contain the information required by section 202 to be contained in the list of farm acreage allotments and farm marketing quotas for publication, together with a brief statement that the amount of the farm marketing quota for the farm is the number of pounds of lint cotton equal to the amount of the normal production of the farm acreage allotment

plus the amount, if any, of the cotton from any previous crop which the farmer has on hand and the amount, if any, by which the actual production of the farm acreage allotment exceeds the normal production thereof. The notice shall contain also on the face or back thereof a statement of the procedure whereby application for review of the quota may be made under Section 363 of the Act.

(b) A copy of each notice required pursuant to subsection (a), containing a notation thereon of the date of mailing the notice to the operator of the farm, shall be kept among the records of the county committee, and upon request a copy thereof, duly certified as true and correct, shall be furnished without charge to any person who as operator, landlord, tenant, or sharecropper is interested in the cotton produced in 1938 on the farm with respect to which the quota is established. [Sec. 362.]

Sec. 204. Apportionment of Farm Marketing Quotas for Farms Planting Within Acreage Allotments. - (a) If the acreage planted to cotton in 1938 on any farm does not exceed the farm acreage allotment for the farm, each producer shall be entitled to a share of the farm marketing quota equal to the amount of his share in the cotton produced thereon in 1938 plus the amount of cotton from any previous crop which he has on hand.

(b) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton in 1938 on one or more but not all of such farms is in excess of the farm acreage allotment therefor, and a red marketing card (form Cotton 212) is to be issued under section 403 to such producer, the county committee shall, in accordance with the procedure prescribed in section 205, determine the share of such producer in the farm marketing quota (which share is hereinafter referred to as "producer marketing quota") for such farm or farms on which the acreage planted to cotton in 1938 is not in excess of the farm acreage allotment therefor.

Sec. 205. Apportionment of Farm Marketing Quotas for Farms Planting in Excess of Acreage Allotments. - If the acreage planted to cotton in 1938 on any farm is in excess of the farm acreage allotment for the farm, the county committee shall apportion to each producer on the farm (where there is only one producer who shares in the acreage planted to cotton in 1938 on the farm he shall receive the whole of the farm marketing quota) a share of the farm marketing quota (such share being hereinafter referred to as "producer marketing quota"), exclusive of cotton from any previous crop on hand, in accordance with the following:

1. The producer marketing quota for each producer shall first be determined, as soon as practicable after measurements with respect to the farm have been made as set forth in section 301, to be an amount of lint cotton equal to that percentage of the normal production of the farm acreage allotment for the farm which the normal production in 1938 of such producer's share of the acreage planted to cotton in 1938 on the farm is of the normal production in 1938 of the total acreage planted to cotton in 1938 on the farm. The normal production in 1938 of any such producer's share of the acreage planted to cotton in 1938 on the farm shall be the normal yield per acre of lint cotton for the farm times such number of acres.

2. If the farm marketing quota is adjusted as set forth in paragraph 2 of section 201(b), relating to adjustments for actual production, or if the actual production of the acreage planted to cotton on the farm in 1938 is in excess of the normal production of the farm acreage allotment for the farm, the county committee shall adjust the producer marketing quota or quotas determined pursuant to paragraph 1 of this section so that the producer marketing quota for each producer shall be that amount of lint cotton equal to that percentage of the farm marketing quota as adjusted which the actual production in 1938 of such producer's share of the acreage planted to cotton in 1938 on the farm is of the actual production in 1938 of the total acreage planted to cotton in 1938 on the farm. In making adjustments in producer marketing quotas before all cotton on the farm has been harvested, the county committee shall adjust them so that the producer marketing quota for each producer shall be that amount of lint cotton equal to that percentage of the farm marketing quota as adjusted which the normal production in 1938 of such producer's share of the acreage planted to cotton in 1938 is of the normal production in 1938 of the total acreage planted to cotton in 1938 on the farm. In making adjustments under this paragraph, no producer on the farm who produces in 1938 more than the amount of the producer marketing quota previously apportioned to him shall have such producer marketing quota reduced and such part of the producer marketing quota of any producer on the farm as is in excess of his actual production in 1938 on the farm shall, in cases where more than one producer shares in the acreage planted to cotton in 1938 on the farm, be reapportioned to the other producer or producers on the farm.

3. If one or more of the producers on a farm complains in writing to the county committee that the apportionment of the farm marketing quota to pro-

ducers as originally determined under paragraph 1 or as adjusted under paragraph 2 is not fair and equitable because of variations in productivity, the acreage planted to cotton by each producer, crop failure, or other cause and the county committee has good ground to believe that any complaint so made is well-founded, it shall review the apportionment made under paragraph 1 or paragraph 2 as the case may be, and, if it finds that such apportionment is not fair and equitable, shall reapportion the farm marketing quota among the various producers on the farm in a manner which, in view of all the facts adduced, is fair and equitable to all producers on the farm.

4. If the actual production of the acreage planted to cotton on the farm in 1938 is not in excess of the normal production of the farm acreage allotment for the farm and the county committee finds that the producer marketing quota for any producer with respect to such farm is in excess of the amount of his share in the actual production in 1938 thereon, that portion of his producer marketing quota which is in excess of his share in the actual production in 1938 on such farm shall, in cases where more than one producer shares in the acreage planted to cotton in 1938 on the farm, forthwith be treated as an undistributed part of the farm marketing quota for such farm and shall be reapportioned by the county committee, in accordance with the foregoing provisions of this section, to the producer or other producers on the farm whose production is in excess of their respective producer marketing quotas. Not more than one such reapportionment with respect to any farm shall be made during the marketing year unless the county committee determines that more than one such reapportionment is necessary to assure a fair and equitable apportionment of the farm marketing quota among the producers thereon.

5. There shall be added to and made a part of any producer marketing quota, as determined in accordance with this section or section 204(b), the amount of cotton from any previous crop which the county committee determines, in accordance with applicable instructions, that the producer has on hand at the time of the determination.

6. The producer marketing quota or the sum of all the producer marketing quotas with respect to any farm shall not exceed the sum of (1) the normal production of the farm acreage allotment or the actual production of

the farm acreage allotment, as provided for in section 201(b), and (2) the amount of cotton from any previous crop which the producer or producers on the farm have on hand.

Sec. 206. Successors in Interest. - Any person who succeeds to the interest of a producer in a farm or in a cotton crop or cotton with respect to which a farm marketing quota has been established shall, to the same extent as his predecessor, be entitled to all the rights and privileges incident to such marketing quota and be subject to the restrictions on the marketing of cotton.

Sec. 207. Transfer of Farm Marketing Quotas. - A farm marketing quota is established with respect to a farm and may not be assigned or otherwise transferred in whole or in part to any other farm. A producer marketing quota may not be assigned or otherwise transferred in whole or in part, except that it may be reapportioned among producers on a farm as set forth in these regulations.

Sec. 208. Review of Quotas. - (a) Any producer who is dissatisfied with the farm marketing quota established for his farm may, by making application within 15 days after the mailing to him of the notice provided for in section 203, have such quota reviewed by a local review committee composed of three farmers appointed by the Secretary of Agriculture. Unless such application is made within such 15 days the original determination of the farm marketing quota shall be final. All applications for review shall be made in accordance with regulations issued by the Secretary of Agriculture. /Sec. 363 and 364/

(b) If the producer is dissatisfied with the determination of the review committee he may, within 15 days after notice thereof is mailed to him by registered mail, file a bill in equity against the review committee to have the determination of the review committee reviewed by a court in accordance with Section 365 of the Act. /Sec. 365/

Sec. 209. Marketing Quotas in Effect. - Marketing quotas shall be in effect during the marketing year with respect to the marketing of cotton. Cotton produced in the calendar year 1938 shall be subject to the quotas in effect notwithstanding that it may be marketed prior to August 1, 1938. /Sec. 345/

PART III. MEASUREMENT OF FARMS

Section 301. Provision for Measuring Farms.- The county committee shall provide for measuring each farm in the county for which a farm acreage allotment was established for the purpose of ascertaining whether the acreage planted thereon to cotton in 1938 is in excess of the farm acreage allotment therefor. The measuring of any farm shall be done in accordance with the established procedure used by the Agricultural Adjustment Administration. [Sec. 374/

Sec. 302. Report of Measurements.- A record of the result of the measurements made as provided for in section 301 shall be kept by the county committee. In the case of farms on which the acreage planted in cotton in 1938 is in excess of the farm acreage allotment, the county committee shall file promptly with the State committee a written report on form Cotton 218 stating for each such farm (1) the farm serial number, (2) the name of the operator, (3) the total acreage in cultivation in 1938, (4) the farm acreage allotment, (5) the acreage planted to cotton in 1938, and (6) the name of each person having an interest in the cotton crop produced thereon in 1938 or in the proceeds thereof. [Sec. 374/

PART IV. MARKETING CARDS, MARKETING CERTIFICATES, AND IDENTIFICATION OF COTTON

Section 401. Issuing Marketing Cards for Farms Planting Within Acreage Allotments. - (a) As soon as practicable after it has been determined as set forth in section 301 that the acreage planted to cotton on any farm in 1938 does not exceed the farm acreage allotment for the farm, the county committee shall, except as provided for in subsection (b), issue a white marketing card (form Cotton 211) to the operator and, unless the county committee finds that it will not serve a useful purpose, to other producers on the farm, as evidence that such operator and all other producers on the farm may market without penalty all cotton produced on such farm in 1938 and the amount of cotton from any previous crop which they have on hand. Such marketing card shall show (1) the name and address of the operator, (2) the State and county code number and serial number of the farm, (3) the signature of a number of the county committee signing for the county committee, and (4) the countersignature of the operator or other producer to whom the card is issued, or his duly authorized agent.

(b) A marketing card shall not be issued under this section to any operator or producer who is engaged in the production of cotton on more than one farm in a county if the acreage planted to cotton on any of such farms in 1938 is in excess of the farm acreage allotment therefor.

(c) If the county committee finds that cotton from seed of a pure strain of Sea Island or American-Egyptian cotton that normally produces a staple of 1-1/2 inches or more in length in districts where it is commonly grown is the only cotton being produced in 1938 on a farm located in a district where such cotton is commonly grown and determines as provided for in paragraph 5 of section 205 that the producer of such cotton has on hand any cotton that was produced in a prior year, the county committee shall issue him a white marketing card (form Cotton 211) as evidence that such producer is entitled to market without penalty all cotton from any previous crop which he has on hand. A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on a marketing card issued under subsection (a), except that the expression "carry-over" shall be endorsed in bold characters across its face.

(d) In any case where a white marketing card (form Cotton 211) has been issued to a producer, the county committee may furnish such producer a form of certificate, form Cotton 211-A, to be used by such producer only in the marketing of cotton by telephone, telegraph, or mail or by any means or method other than directly to and in the presence of a buyer or transferee as evidence of the fact that the county committee has issued to such producer a white marketing card (form Cotton 211).

Sec. 402. Issuing Marketing Cards for Farms Planting in Excess of Acreage Allotments. - (a) As soon as practicable after it has been determined as set forth in section 301 that the acreage planted to cotton on any farm in 1938 exceeds the farm acreage allotment for the farm, the county committee shall (except as otherwise provided for in subsection (b) of this section) issue a red marketing card (form Cotton 212) to each producer on the farm as evidence that the producer to whom the card is issued is entitled to market without penalty the amount of the cotton entered on such card, provided such cotton is produced by or for him on such farm in 1938 or is cotton from any previous crop which he has on hand. Such marketing card shall show (1) the name and address of the operator, (2) the State and county code number and serial number of the farm, (3) the signature of a member of the county committee signing for the county committee, (4) the countersignature of the operator or other producer to whom

the card is issued, or his duly authorized agent, and (5) the amount of the producer marketing quota for the producer determined as provided for in section 205 or the amount of the farm marketing quota if the card is issued to the operator as provided for in subsection (b). The farm marketing quota or the total of all producer marketing quotas with respect to any farm as evidenced by a marketing card, or marketing cards, issued under this subsection or subsection (b), as the case may be, shall not be greater than the normal production of the farm acreage allotment for the farm plus the amount of cotton from any previous crop which the producer or producers on the farm have on hand. In entering the amount of the producer marketing quota or the farm marketing quota, as the case may be, on a red marketing card (form Cotton 212) there shall be entered, in addition to that portion of the farm marketing quota or producer marketing quota to which the producer or producers to or for whom the card is issued are entitled with respect to the 1938 cotton crop, the amount of cotton from any previous crop which he or they, as the case may be, have on hand, determined as provided for in paragraph 5 of section 205, less the amount of any such cotton which is pledged as security for a Commodity Credit Corporation loan. If such a producer desires to market any such cotton so pledged, the county committee shall, upon his request, issue to him a red marketing card (form Cotton 212) for the amount of such cotton which he desires to market.

(b) In cases where more than one producer shares in the acreage planted to cotton in 1938 on a farm, if all producers on the farm agree in writing, on form Cotton 212A, a red marketing card (form Cotton 212) showing the entire farm marketing quota for the farm shall be issued to the operator, but the operator shall nevertheless make available to each producer on the farm the amount of the producer marketing quota to which each such producer is entitled under section 205. Such operator shall report to the county committee, as provided for in section 603(b), the distribution of the farm marketing quota among the producers on the farm.

(c) The county committee shall issue a red marketing card (form Cotton 212) to each producer on the farm for his proportionate share, if any, determined as provided for in paragraph 2 of section 205, of any increase, or a red marketing card (form Cotton 212) for the entire amount of any increase shall be issued to the operator as provided for in subsection (b), as evidence that such producer or producers may market without penalty the amount of any cotton produced by or for him or them on such farm in 1938 entered on such card or cards. A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on the marketing card originally issued to the producer, except that the letters "XX" shall be placed before the State and county code number preceding the serial number of

the farm, and the information shown with respect to the amount of the farm marketing quota shall be only the amount of the increase in the farm marketing quota for the farm if the card is issued to the operator under subsection (b), or the amount of the producer's share in the increase in the farm marketing quota for the farm if a card is issued to each producer on the farm. The farm marketing quota or the total of all producer marketing quotas with respect to any farm as evidenced by marketing cards issued shall not be greater than the amount of the farm marketing quota for the farm determined as provided for in section 201(b).

(d) If the county committee has made an estimate that the actual production of the acreage planted to cotton in 1938 on the farm will not exceed the normal production of the farm acreage allotment for the farm or has made an estimate of the amount of cotton to be produced on a farm in 1938 in excess of the farm marketing quota for the farm and the payment of the estimated penalty with respect to the marketing of such cotton has been secured, as provided for in section 507, it may issue a white marketing card (form Cotton 211) to the operator of such farm and, unless the county committee finds that it will not serve a useful purpose, to other producers on the farm as evidence that such operator and other producers on the farm may market all cotton produced on the farm in 1938 and cotton from any previous crop which they have on hand without paying the penalty at the time of marketing. A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on a marketing card issued under section 401(a), except that the words "Penalty Secured" shall be endorsed in bold characters across its face. The county committee shall not issue a white marketing card (form Cotton 211) under this subsection if the estimated penalty is to be secured by funds tendered in the form of a check, draft, or money order unless and until the treasurer of the County committee notifies such committee that such check, draft, or money order has been collected and the proceeds thereof are held in the special deposit account provided for in section 510, nor shall such committee issue a marketing card under this subsection to a producer or producers to whom a marketing card or cards has or have been previously issued until such card or cards previously issued has or have been returned to and canceled by such committee by endorsing thereon in bold letters the notation "Canceled - Sec. 402(d)". Any marketing card issued under this subsection shall be issued upon condition that any producer to or for whom it is issued shall nevertheless be subject to the penalty referred to in section 501 with respect to the marketing of cotton in excess of the farm marketing quota for the farm.

(c) The county committee may, upon request, issue to any producer on a farm on which the acreage planted to cotton in 1938 exceeds the farm acreage allotment for such farm a white marketing card (form Cotton 211) as evidence of the fact that, notwithstanding the amount of the marketing quota for the farm, there may be marketed, without regard to the manner prescribed in Part V for the payment, collection, and remittance of penalties, the entire amount of the cotton produced on the farm in 1938 plus the amount of cotton from any previous crop which the producers on such farm have on hand, if the county committee finds (1) that the actual production on the entire farm in 1938 does not exceed one thousand pounds of lint cotton or (2) that the estimated production on the entire farm in 1938 does not exceed one thousand pounds of lint cotton and (3) that any marketing card or cards previously issued with respect to such farm have been returned to and canceled by such committee by endorsing thereon in bold letters the notation "Canceled - Sec. 402(e)". A marketing card issued under this subsection shall bear evidence and show information comparable to that provided to be shown on a marketing card issued under section 401(a), except that the words "One Thousand Pounds" shall be endorsed in bold characters across its face. Any marketing card issued under this subsection shall be issued upon condition that any producer to or for whom it is issued shall nevertheless be subject to the penalty referred to in section 501 with respect to the marketing of cotton in excess of the farm marketing quota for the farm if the total production in 1938 of the farm exceeds one thousand pounds of lint cotton.

Sec. 403. Issuing Marketing Cards for Multiple Farms.-

(a) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton on each of such farms does not exceed the farm acreage allotment therefor, separate white marketing cards (form Cotton 211) shall be issued by the county committee with respect to each of such farms in accordance with the provisions of section 401.

(b) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton in 1938 on each of such farms is in excess of the farm acreage allotment therefor, separate red marketing cards (form Cotton 212) shall be issued by the county committee with respect to each of such farms in accordance with the provisions of section 402.

(e) In case a producer is engaged in 1938 in the production of cotton on more than one farm in a county and the acreage planted to cotton in 1938 on one or more but not all of

such farms is in excess of the farm acreage allotment therefor and a marketing card is issued to such producer by the county committee with respect to any such farm on which the acreage planted to cotton in 1938 does not exceed the farm acreage allotment therefor, a red marketing card (form Cotton 212) shall be issued to such producer by the county committee in accordance with the provisions of section 402 for the amount of the producer marketing quota apportioned to such producer with respect to each such farm as provided for in section 204(b). In case a red marketing card (form Cotton 212) is so issued, the county committee shall nevertheless issue a white marketing card (form Cotton 211) under section 401(a) to or for all other producers on each such farm on which the acreage planted to cotton in 1938 does not exceed the farm acreage allotment therefor.

Sec. 404. Issuing Marketing Certificates.- (a) If the county committee finds that cotton from seed of a pure strain of Sea Island or American-Egyptian cotton that normally produces a staple of 1-1/2 inches or more in length in districts where it is commonly grown is being produced in 1938 on a farm in such a district, it shall issue a "Sea Island or American-Egyptian Cotton Marketing Certificate" on form Cotton 214 to each producer of such cotton as evidence that such producer is entitled to market without penalty all such cotton.

(b) Upon request of a responsible executive officer of any publicly-owned agricultural experiment station, the State committee shall issue to such experiment station, with respect to cotton which is grown solely for experimental purposes, a certificate, signed by the chairman or the secretary of such committees, evidencing the fact that the marketing of such cotton, as provided for in section 372(d) of the Act, is not subject to the penalty. Such request shall be made in writing and shall show: (1) the name and address of the experiment station, (2) the location of the land on which such cotton was or is being produced, and (3) the number of acres planted to cotton on such experiment station in 1938 solely for experimental purposes.

Sec. 405. Reissuing Marketing Cards.- (a) In the event a portion or all of a producer marketing quota is reapportioned, as provided for in paragraph 2 or paragraph 4 of section 205, the county committee shall deduct the portion reapportioned from such producer marketing quota as shown on the marketing card by entering on such marketing card the amount deducted and the amount remaining of such producer marketing quota with the signature or initials of a member of the county committee signing next to the entry for the committee. Any marketing card issued to any

producer shall be returned by such producer to the county committee at the time the amount of his producer marketing quota is reapportioned. In the event any producer fails or refuses, after being duly requested in writing to do so, to deliver to the county committee, within ten calendar days after the date of the request, any marketing card issued with respect to any producer marketing quota a portion of all of which has been reapportioned, the county committee shall forthwith cancel such marketing card by giving notice to such producer that such marketing card is void and of no effect by depositing written notice to such effect in the United States mails, registered and addressed to such producer at his last-known address. A copy of such notice, containing a notation thereon of the date of mailing, shall be kept among the records of the county committee. Such committee shall immediately notify the ginners and buyers in the county that the marketing card has been canceled. Such committee shall also notify the county committee of each adjoining county, which shall in turn notify the ginners and buyers in such county.

(b) After the county committee has reapportioned a portion or all of a producer marketing quota, as provided for in paragraph 2 or paragraph 4 of section 205, in cases where the farm marketing quota is not increased as provided for in section 201(b), it shall issue to each producer who has received a portion of the amount of the quota reapportioned a red marketing card (form Cotton 212) for the additional amount so reapportioned. The word "Reissue" shall be endorsed in bold characters across the face of marketing cards issued under this section and such cards shall bear evidence and show information comparable with that provided to be shown in marketing cards issued under section 402(a).

Sec. 406. Lost, Destroyed, or Stolen Marketing Cards.-

(a) In case any marketing card issued to a producer is lost, destroyed, or stolen, any person having knowledge of such loss, destruction, or theft, shall, insofar as he be able, immediately notify the county committee of (1) the name of the operator of the farm with respect to which such marketing card was issued, (2) the name of the producer to whom the marketing card was issued, if someone other than the operator, (3) the serial number of the marketing card, (4) the color of the marketing card, and (5) whether in his judgment it was lost, destroyed, or stolen and by whom.

(b) The county committee shall make or cause to be made a thorough investigation of the circumstances of such loss, destruction, or theft. If, after such investigation, the county committee finds that such marketing card was in fact lost, destroyed, or stolen, it shall cancel such card by giving notice

to the producer to whom the card was issued that such card is void and of no effect by depositing a written notice to that effect in the United States mail, addressed to such producer at his last-known address, and if it also finds that there has been no collusion or connivance in connection therewith on the part of the producer to or for whom it was issued, it shall issue to or for such producer a duplicate marketing card of the same color and bearing the same name, information, and identification as the lost, destroyed, or stolen marketing card. However, if the card lost, destroyed, or stolen was a red marketing card (form Cotton 212), such committee shall, after determining the amount of cotton marketed without penalty by or for the producer or producers to or for whom the card was issued, enter on the duplicate card issued, in addition to the amount of the farm marketing quota or the producer marketing quota, as the case may be, entered on the lost, destroyed, or stolen card, a deduction for the amount of the cotton which it determines has been so marketed without penalty. Each marketing card issued under this section shall bear across its face in bold characters the word "Duplicate". In case a marketing card is canceled as provided for in this section the county committee shall immediately notify the ginners and buyers in the county that the marketing card has been canceled and a duplicate has been issued. Such committee shall also notify the county committee of each adjoining county, which shall in turn notify the ginners and buyers in its county. Any ginner or buyer or any other person coming into possession of a canceled marketing card shall immediately return it to the county committee which issued it.

Sec. 407. Color of Marketing Cards.- The color of marketing cards (form Cotton 211) issued as provided for in sections 401, 402(d), 402(e), and 403(a) shall be white and the color of marketing cards (form Cotton 212) issued as provided for in sections 402(a), 402(b), 402(c), 403(b), 403(c), and 405 shall be red.

Sec. 408. Identification of Cotton.- (a) Each buyer or transferee who buys or receives cotton during the marketing year, or prior to the beginning of the marketing year if the cotton was produced in the calendar year 1938, shall, unless it is identified by the producer as provided in these regulations, deem it to be subject to the penalty provided for in section 348 of the Act.

(b) A white marketing card (form Cotton 211), issued under sections 401, 402(d), 402(c), 403(a), or 406, shall be used to identify cotton with respect to which it was issued as -

(1) Cotton which is not subject to the penalty provided for in section 348 of the Act;

(2) Cotton with respect to the marketing of which it has been estimated that the penalty will not be due or with respect to which a bond has been executed or money has been placed in escrow as provided for in section 507;

(3) Cotton with respect to the marketing of which the penalty, if any, will not be paid until it is determined whether the total production in 1938 of lint cotton on the farm on which it was produced exceeds 1,000 pounds.

If such cotton is marketed directly to and in the presence of the buyer or transferee, the producer shall identify the cotton by showing his marketing card to the buyer or transferee. If the marketing of such cotton is effected by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by delivering to the buyer or transferee a certificate properly executed in duplicate on form Cotton 211-A as evidence that the county committee has issued a white marketing card (form Cotton 211) to such producer.

(c) A red marketing card (form Cotton 212), issued under sections 402(a), 402(b), 402(c), 403(b), 403(c), 405, or 406, accompanied by an applicable certified statement properly executed on form Cotton 213 shall be used to identify cotton with respect to which it was issued as -

(1) Cotton, the marketing of which is not subject to the penalty provided for in section 348 of the Act, if the total amounts of lint cotton entered on forms Cotton 213, as provided for in part VI, as having been marketed under such card plus the amount of lint cotton being marketed, is not greater than the farm marketing quota or producer marketing quota, as the case may be, shown on such card;

(2) Cotton, the marketing of which is subject to the penalty provided for in section 348 of the Act, if the total amounts of lint cotton entered on forms Cotton 213, as provided for in part VI, as having

been marketed under such card, is equal to or greater than the farm marketing quota or producer marketing quota, as the case may be, shown on such card;

(3) Cotton, the marketing of that amount of which is subject to the penalty provided for in section 348 of the Act, if the amount being marketed, together with the total amount of lint cotton, if any, entered on forms Cotton 213, as provided for in part VI, as having been marketed under such card, is in excess of the farm marketing quota or producer marketing quota, as the case may be, shown on such card.

If such cotton is marketed directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by showing his marketing card and by delivering to the buyer or transferee an applicable certified statement properly executed on form Cotton 213. If the marketing of such cotton is effected by telephone, telegraph, or mail, or any means or method other than directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by delivering to the buyer or transferee an applicable certified statement properly executed on form Cotton 213.

(d) A certificate issued on form Cotton 214 (Sea Island or American-Egyptian Cotton Marketing Certificate), as provided for in section 404, shall be used to identify cotton with respect to which it is issued as cotton the staple of which is 1-1/2 inches or more in length and the marketing of which is not subject to the penalty provided for in section 348 of the Act. If such cotton is marketed directly to and in the presence of the buyer or transferee, the producer shall identify such cotton by showing his marketing certificate (form Cotton 214) to the buyer or transferee. If the marketing of such cotton is effected by telephone, telegraph, or mail, or by any means or method other than directly to or in the presence of the buyer or transferee, the producer shall deliver to the buyer or transferee a certificate in duplicate on form Cotton 211-A properly executed as evidence that the county committee has issued a certificate on form Cotton 214 to such producer.

(e) A certificate issued with respect to publicly-owned agricultural experiment stations, as provided for in section 404(b), shall be presented by the producer to the buyer or transferee at the time the cotton is marketed, for the purpose of identifying the cotton with respect to which it is issued as cotton grown solely for experimental purposes by a publicly-owned

agricultural experiment station and the marketing of which is not subject to the penalty provided for in section 348 of the Act.

(f) A certificate on form Cotton 221 by a Federally-licensed cotton classifier that the staple of cotton covered by such certificate is 1-1/2 inches or more in length shall, if presented by the producer to the buyer or transferee at the time of marketing, be used to identify such cotton as not subject to the penalty provided for in section 348 of the Act. [Sec. 375(a) and (b).]

PART V. PENALTIES

Section 501. General. - Any producer who, while farm marketing quotas with respect to the marketing of cotton are in effect, markets cotton subject to such quotas in excess of the farm marketing quota for the farm on which such cotton was produced shall, as provided for in section 348 of the Act, be subject to a penalty of two cents per pound with respect to the excess so marketed (hereinafter referred to as "the penalty"). Any producer shall be presumed to have marketed cotton in excess of the farm marketing quota for the farm on which such cotton was produced if he markets cotton in excess of the amount of the farm marketing quota or the producer marketing quota to which he is entitled under the terms of these regulations as evidenced by the marketing card issued to or for him in accordance with these regulations. [Sec. 348.]

Sec. 502. Farms Producing Less Than 1,000 Pounds of Lint Cotton. - As provided for in section 346(b) of the Act, the penalty shall not apply to the marketing of cotton in excess of the farm marketing quota for a farm for which a farm acreage allotment was established if the total production of lint cotton thereon in 1938 does not exceed 1,000 pounds. [Sec. 346(b).]

Sec. 503. Long Staple Cotton. - (a) As provided for in section 350 of the Act, the penalty shall not apply to the marketing of cotton the staple of which is 1-1/2 inches or more in length. [Sec. 350.]

(b) Cotton produced from a pure strain of Sea Island or American-Egyptian cotton which normally produces a staple of 1-1/2 inches or more in length shall be deemed to be cotton the staple of which is 1-1/2 inches or more in length provided a "Sea Island or American-Egyptian Marketing Certificate", form Cotton 214, with respect thereto has been issued under section 404 and provided further that such cotton is being produced in a district where it is commonly grown.

(c) Any other cotton shall be deemed to be cotton the staple of which is less than 1-1/2 inches in length unless the producer thereof obtains a certification by a Federally-licensed cotton classifier that such cotton has a staple of 1-1/2 inches or more in length. Such certification shall be made in triplicate on form Cotton 221.

Sec. 504. Cotton Marketed by Publicly-Owned Agricultural Experiment Stations. Except as set forth in sections 502 and 503, the penalty shall apply to any cotton grown by any publicly-owned agricultural experiment station which is not grown solely for experimental purposes. The penalty shall not apply to the marketing of any cotton grown for experimental purposes only by any publicly-owned agricultural experiment station. [Sec. 372(d).]

Sec. 505. Payment and Collection of Penalties.- (a) The penalty shall be due at the time the cotton is marketed by sale, barter, or exchange. Cotton shall be deemed to be sold when either title to or actual or constructive possession of the cotton is delivered by or on behalf of the producer or any part of the purchase price is paid. Cotton shall be deemed to have been marketed by barter or exchange when it is delivered to the transferee of the cotton by actual or constructive delivery or the transferor has received any part of the property, goods, or services for which the cotton is being bartered or exchanged. The penalty with respect to the marketing of cotton by sale to any person within the United States shall be collected by the buyer at the time of sale. The penalty with respect to the marketing of cotton by barter or exchange or by sale to any person not within the United States shall be paid by the producer liable for the penalty and may be collected by the person to whom such cotton is transferred, in the case of an exchange or barter, if the producer and the transferee of such cotton agree, as evidenced by the form Cotton 213 covering the transaction, that the penalty shall be collected by the transferee as in the case of the marketing of cotton by sale to any person within the United States. The penalty, if any, due with respect to the marketing of any cotton produced on any farm with respect to which a white marketing card (form Cotton 211) is issued shall not be collected by the buyer or transferee of such cotton but shall be paid by the producer who marketed such cotton.

(b) Any producer who would be liable for the penalty upon the marketing of any cotton producer by or for him may nevertheless pay such penalty prior to the time such cotton is marketed and the treasurer of the county committee for the county in which such cotton was produced shall receive the penalty as in the case of other penalties.

(c) The penalty may be collected by a buyer by deducting from the purchase price of the cotton the amount of the penalty due with respect to the marketing of such cotton.

(d) Any buyer or transferee of cotton who, as provided for in subsection (a), collects the penalty with respect to the marketing of cotton shall issue to the producer who paid the penalty a receipt. [Sec. 372.]

Sec. 506. Remittance of Penalties. - (a) The penalty shall be remitted not later than thirty calendar days next succeeding the day on which the cotton was marketed by the producer. For and on behalf of the Secretary of Agriculture, the treasurer of the county committee for the county in which the farm on which the cotton was produced is located shall receive the penalty and issue to the person remitting the penalty a receipt therefor on form Cotton 219 or form Cotton 219-A.

(b) The penalty shall be remitted only in legal tender or by draft, check, or money order drawn payable to the order of the treasurer of the county committee for the county in which the farm on which the cotton was produced is located. All checks, drafts, or money orders tendered in payment of the penalty shall be received by the treasurer of the county committee subject to collection and payment at par, and any receipt issued in connection therewith as provided for in subsection (a) shall bear a notation to that effect and a description of the check, draft, or money order.

(c) The penalty collected by the buyer or transferee as provided for in section 505 shall be accompanied at the time it is remitted by a copy of the receipt issued by such buyer or transferee to the producer from whom the penalty was collected. [Sec. 372.]

Sec. 597. Penalties Secured by Bonds or Money Held in Escrow. - (a) In cases where the acreage planted to cotton in 1938 on any farm is in excess of the farm acreage allotment for the farm, the county committee, upon request of the owner or operator of such farm, may estimate the amount of the penalty which may become due with respect to the marketing of cotton produced on such farm in 1938 in excess of the farm marketing quota for the farm and the penalty, if any, with respect to the marketing of such cotton may be paid as provided for in subsection (d), provided that either (1) a good and sufficient bond of indemnity on form Cotton 215 is exe-

cuted and filed with the treasurer of the county committee in an amount equal to not less than the amount of the estimated penalty for which the producers having an interest in the cotton crop produced on the farm would otherwise be liable upon the marketing of the cotton estimated to be produced in excess of the farm marketing quota or (2) an amount of money not less than the amount of such estimated penalty is deposited with the treasurer of the county committee to be held in escrow by him to secure the payment of any penalty which might accrue, or (3) it is estimated that the penalty will not be due with respect to the marketing of cotton produced on such farm in 1938 because it is estimated that the actual production of the acreage planted to cotton in 1938 on the farm will not exceed the normal production of the farm acreage allotment for the farm.

(b) Any bond pursuant to subsection (a) shall be made on form Cotton 215 and executed as principal by the owner or operator of the farm for and on behalf of each producer having an interest in the cotton crop or proceeds thereof produced in 1938 on such farm and as sureties by two owners of real property (other than such owner or operator or producer) situated within the county and shall contain the condition that so much of the principal sum of such bond as is equal to the penalty incurred shall be forthwith paid to the Secretary of Agriculture upon proof that the penalty secured thereby or any part or amount thereof has not been paid as provided for in subsection (d). The county committee shall examine the bond and, if it finds such bond to be good and sufficient and in proper form, the same shall be marked "Approved" and signed by a member of the committee acting for the committee and the bond shall be delivered to the treasurer of the county committee for safe-keeping. Any funds delivered to the treasurer of the county committee to be held by him in escrow to secure the payment of the penalty shall be only in legal tender or in the form of a check, draft, or money order drawn payable to the order of the treasurer of the county committee and shall be deposited by him in a special deposit account as provided for in section 510. The treasurer shall issue a receipt for such funds to the person who tenders them to be held in escrow. Such funds shall be received subject to payment and collection at par, and the provisions of subsection (a) shall not be operative in favor of any producer unless and until such check, draft, or money order tendered by him has been collected at par and the proceeds thereof are held in such special deposit account.

(c) In estimating the production of cotton for any farm under the terms of this section, the county committee shall take into consideration the appraised yield of the cotton crop and the number of acres planted to cotton on the farm. Such estimate shall be made after bolls are formed on the cotton plants with respect to which the estimate is made. The number of pounds of lint

cotton estimated to be produced on the farm in excess of the farm marketing quota shall be the amount by which the total estimated production of lint cotton in 1938 on the farm is in excess of the normal production of the farm acreage allotment established for the farm. Any bond or funds to be held in escrow pursuant to the foregoing provisions of this section shall be in an amount not less than the amount determined by multiplying two cents by the number of pounds so estimated to be produced in excess of the farm marketing quota.

(d) The owner or operator of a farm who has furnished bond or placed funds in escrow or the owner or operator of a farm with respect to which it was estimated that the actual production of the acreage planted to cotton in 1938 on the farm would not exceed the normal production of the farm acreage allotment for the farm, as provided for in this section, shall file a report with the county committee, as provided in section 603(b), for and on behalf of every producer having an interest in the cotton crop produced on such farm in 1938 or in the proceeds thereof. The report shall be in writing on form Cotton 217 and certified to be true and correct by the owner or operator, as the case may be, and shall show the amount of the penalty, if any, due with respect to the marketing of cotton in excess of the farm marketing quota for the farm. If the county committee finds such report to be true and accurate and in proper form, the same shall be marked "Approved" and signed by a member of the committee acting for the committee, and the report shall be delivered to the treasurer of the county committee. The amount of the penalty set forth in the report as approved by the county committee shall forthwith be paid to the treasurer of the county committee. If funds are held in escrow to secure payment of the penalty, the penalty shall be paid by the use of such funds or, in the event such funds are not sufficient to cover the amount of the penalty incurred, the producer or producers who incurred the penalty shall pay a sufficient additional amount. Any part of the funds held in escrow which is in excess of the amount of the penalty set forth in the report as approved by the county committee, shall be returned by the treasurer of the county committee to the owner or operator, as the case may be, against his receipt.

(e) If a producer is engaged in the production of cotton on more than one farm in the county on which the acreage planted to cotton in 1938 is in excess of the farm acreage allotment therefor, the county committee shall not accept funds to be placed in escrow or a bond to secure payment of the penalty under the terms of this section from or on behalf of such producer for any one such farm unless such funds or bond is offered and accepted with respect to all such farms in the county on which such producer is so engaged in the production of cotton.

(f) The provisions of this section shall have no effect on the apportionment of the farm marketing quota for a farm among producers as provided for in section 205.

Sec. 508. Adjustment of Penalties by County Committees. -

(a) Any farmer who has paid the penalty or a sum of money with respect to the marketing of cotton may request the county committee to review the amount so paid to determine whether the amount thereof is in excess of that due for any one or more of the following reasons:

1. The penalty or sum of money was paid with respect to the marketing of cotton produced on a farm on which the actual production of the farm acreage allotment for the farm is greater than the amount of the farm marketing quota for the farm as expressed in terms of the normal production of the farm acreage allotment for the farm;

2. The penalty or sum of money was paid with respect to the marketing of cotton produced on a farm for which the farm marketing quota was increased by a determination of a review committee appointed by the Secretary of Agriculture or as a result of a court review of the determination of the review committee;

3. The penalty or sum of money was paid with respect to the marketing of cotton produced on a farm on which the total amount of production in 1938 on the farm did not exceed 1,000 pounds of lint cotton;

4. The penalty or sum of money was paid with respect to the marketing of cotton the staple of which is 1-1/2 inches or more in length;

5. The penalty or sum of money was paid with respect to the marketing of cotton grown solely for experimental purposes by a publicly-owned agricultural experiment station; or

6. The penalty or sum of money was paid through error.

(b) Any request for a review of the amount of the penalty or sum of money paid shall be made in writing and signed by the person claiming to have paid the penalty or sum in excess of that due. If the claim is made with respect to any of the matters set forth in subsection (a), the county committee and the treasurer of the county committee shall determine the total amount of the penalty due with respect to the marketing of cotton in excess of the farm marketing quota for the farm and, on the basis of the apportionment or reapportionment of the farm marketing quota for such farm among the producers having an interest in the cotton crop or proceeds thereof produced in 1938 on such farm, shall determine the total amount of the penalty paid and the total amount of the penalty incurred by the claimant and all other producers having an interest in the cotton crop produced in 1938 on such farm. If the county committee and the treasurer of the county committee find that the amount paid with respect to the farm is in excess of the total amount of the penalty incurred and that the sum paid by the claimant is in excess of the total amount of the penalty due to be paid by him, the treasurer of the county committee shall pay to the claimant, insofar as the sum in excess of the penalty due with respect to the farm and the amounts of such excess due other producers on the farm will permit, an amount not to exceed the sum paid by the claimant in excess of that due. If the county committee and the treasurer of the county committee find that the amount paid with respect to the farm is not in excess of the total amount of the penalty incurred, or that, if the amount paid with respect to the farm is in excess of the total amount of the penalty incurred, the amounts of such excess due other producers on the farm equals the total amount of such excess, the claim shall be disallowed and the claimant so notified in writing. Any determination made by the county committee and the treasurer of the county committee under the terms of this section shall not prejudice the right of any other person who has paid the penalty or a sum of money and who has an interest in the cotton crop produced on the farm with respect to which the determination was made to request the county committee and treasurer of the county committee to review the amount of the penalty or sum of money paid by him nor shall such determination prejudice the right of a claimant to file a claim with the Secretary of Agriculture in accordance with the procedure set forth in section 511. Any determination of the county committee and treasurer of the county committee under the terms of this section shall be made in writing and signed by at least one member of such committee and such treasurer and filed with such treasurer. The county committee shall conduct any investigation or hold any hearing it deems necessary for a proper settlement of a claim made pursuant to this section.

(c) If the county committee and the treasurer of the county committee upon their own motion determine that, for any reason which, under the terms of these regulations, such committee and treasurer consider to be good and sufficient, any sum of money paid as the penalty by a producer who has not made a request for a review as provided for in subsection (a) is in excess of the amount of the penalty due by such producer, the county committee and the treasurer of the county committee shall review such sum in accordance with the procedure set forth in subsection (b) and pay to such producer the amount so determined which may be refunded to him, obtain a receipt therefor, and make and file a record of the transaction.

(d) No refund of the penalty or sum of money paid shall be allowed under this section unless the penalty or sum of money has been remitted to the treasurer of the county committee and has not been remitted by him to the Secretary of Agriculture.

Sec. 509. Remittance of Penalties to the Secretary of Agriculture by Treasurers of County Committees. - The county committee and the treasurer of the county committee shall at the end of each month examine the amounts of the penalties or sums of money paid with respect to the marketing of cotton in excess of the farm marketing quota for each farm in the county. If the amounts of the penalties or sums are correct, and if no request for a review has been made, the treasurer of the county committee shall forthwith remit such penalties to the secretary of the State committee who, in accordance with applicable instructions, shall remit them to the Secretary of Agriculture (addressed for the attention of the Comptroller, Agricultural Adjustment Administration, Washington, D. C.) to be covered into the general fund of the Treasury of the United States, in accordance with existing procedure. Sec. 372(b).

Sec. 510. Records and Accounts of Treasurers of County Committees. - (a) The treasurer of each county committee or his successor in office is hereby authorized and empowered to receive for and on behalf of the Secretary of Agriculture the penalties referred to in section 501 and each such treasurer or successor in office shall give, in accordance with established procedure of the United States Department of Agriculture, a good and sufficient bond, with a corporate surety approved by the Treasury Department of the United States, for the faithful discharge of the duties required of him under these regulations.

(b) Any funds received by the Treasurer of the county committee in payment of the penalties referred to in section 501 or to secure payment of such penalties as provided in section 507 shall immediately be deposited by him in a special deposit account in a bank, designated by the county committee as the depository of such funds, which is covered by deposit insurance with the Federal Deposit Insurance Corporation. The special deposit account shall be kept by the bank as a special deposit account and designated on its records as the "Cotton Special Deposit Trust Account, County Agricultural Conservation Association, _____, Treasurer". The funds deposited in the special deposit account shall be kept separate and apart from funds belonging to the bank or to any other account of the county agricultural conservation association or the county committee. At no time shall the balance in any such account exceed the sum of \$5,000.00, and where necessary the county committee shall designate one or more such banks in addition to that first designated in which shall be deposited the excess sums. The treasurer of the county committee shall deliver all checks, drafts, or money orders in payment of the penalties referred to in section 501 or to secure payment of such penalties as provided for in section 507 to the bank for immediate collection. The proceeds of such checks, drafts, or money orders, when collected, shall be placed in the special deposit account. Any funds received by the treasurer of the county committee pursuant to these regulations shall be withdrawn or disbursed only by checks drawn by him to carry out the provisions of these regulations. The Administrator shall provide for periodical reports from each treasurer as to the status of the special deposit account and for periodic examination in the office of the county committee of the records and documents in connection therewith.

(c) Whenever a treasurer of a county committee is succeeded in office, any funds received by his successor shall be deposited in a new special deposit account. The Administrator shall cause the account of the former treasurer to be audited, and no withdrawal or disbursement shall be made from the special deposit account of the former treasurer until such audit is completed. The special deposit account used by the former treasurer shall be closed by transferring the balance thereof into the account established by his successor, who shall thereupon assume charge of the records of the former treasurer. [Sec. 372(b).]

Sec. 511. Refund of Penalties. - Whenever, pursuant to a claim filed with the Secretary of Agriculture within one year after payment to him of the penalty collected from any person, the Secretary of Agriculture finds that the penalty was erroneously, illegally, or wrongfully collected he shall certify to the Secretary

of the Treasury for payment to the claimant, in accordance with regulations prescribed by the Secretary of the Treasury, such amount as the Secretary of Agriculture finds the claimant is entitled to receive as a refund of all or a portion of the penalty. Any claim filed with the Secretary of Agriculture pursuant to this section shall be made in accordance with regulations to be prescribed by him. [Sec. 372(c).]

Sec. 512. Court Proceedings to Collect Penalties.-
It shall be the duty of the county committee to report in writing to the State committee forthwith each case of failure or refusal to pay the penalty or to remit the same to the Secretary of Agriculture when collected. It shall be the duty of the State committee to report each such case forthwith in writing in triplicate to the United States Department of Agriculture with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to collect the penalties, as provided for in section 376 of the Act. [Sec. 376.]

PART VI. RECORDS AND REPORTS

Section 601. Records to be Kept and Reports to be Submitted by Ginners. - (a) Each ginner shall record on form Cotton 216 with respect to all cotton of the 1938 crop ginned by him (1) the date of ginning, (2) the name of the operator of the farm on which the cotton was produced, (3) the name of the producer of the cotton, (4) the gin bale number or mark, (5) the county in which the farm on which the cotton was produced is located, (6) the gross weight of each bale, or lot of cotton if less than a bale, ginned for each producer, and (7) the serial number of the farm on which the cotton was produced.

(b) The original of the ginning record provided for in subsection (a), shall be made for each period beginning with the first day of each month and ending on the fifteenth day of such month and for each period beginning with the sixteenth day of each month and ending on the last day of such month during which any cotton from the 1938 crop is ginned by the ginner. The record shall be submitted to the treasurer of the county committee for the county in which the gin is located not later than 5 calendar days next succeeding the last day of the period covered by the report. A copy of such record shall be retained by the ginner.

(c) Any ginner failing to keep any record or make any report as required by this section or making any false report or false record shall, as provided for in section 373(a) of the Act, be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500.00. Sec. 373(a).

Sec. 602. Records to be Kept and Reports to be Submitted by Buyers. - (a) Each buyer shall keep records and make reports with respect to each transaction in which he purchases cotton during the marketing year, or prior to the beginning of the marketing year if the cotton was produced in the calendar year 1938, as follows:

1. If the cotton is identified to him or his agent by the use of a white marketing card (form Cotton 211), as provided for in section 408(b), or by the use of form Cotton 214, as provided for in Section 408(d), or by the use of a certificate issued to a publicly owned agricultural experiment station, as provided for in section 408(e), the buyer or his agent shall not keep a record or make a report with respect to such cotton other than the record and report provided for in subsection (b) of this section.

2. If the cotton is identified to him or his agent by the use of a certificate on form Cotton 211-A, as provided for in sections 408(b) and 408(d), or by the certification of a Federally-licensed cotton classifier on form Cotton 221, as provided for in section 408(f), the buyer or his agent shall examine and execute each such certificate and shall retain the original thereof and shall forward one copy thereof on the postal card to the treasurer of the county committee of the county in which the cotton covered thereby was produced and one copy thereof shall be retained by the producer of the cotton covered thereby.

3. If the cotton is identified to him or his agent by the use of a red marketing card (form Cotton 212) and form Cotton 213 at the time cotton is purchased directly from and in the presence of the producer or his agent holding his marketing card, as provided for in section 408(c), the buyer or his agent, with the assistance of the producer, shall execute form Cotton 213 in triplicate by entering thereon, in the spaces provided, (1) the amount, if any, of the unused portion of the farm marketing quota or producer marketing quota, (2) the

amount of lint cotton purchased from the producer in the particular transaction, (3) the amount of the farm marketing quota or producer marketing quota, as the case may be, remaining after deducting the amount of cotton purchased from the producer in the particular transaction from the amount of the unused portion of the farm marketing quota or producer marketing quota, as the case may be, or the amount of lint cotton purchased from the producer in the particular transaction which is in excess of the unused portion of the farm marketing quota or producer marketing quota, (4) the amount of the penalty, if any, which is due with respect to the lint cotton marketed in the particular transaction, (5) the gin bale numbers or marks of the cotton purchased in the particular transaction, (6) the date on which the cotton was purchased, (7) the fact that the penalty with respect to the marketing of the cotton was or was not collected, (8) the name of the producer to whom the red marketing card (form Cotton 212) was issued, (9) the State and county code number and the serial number of the farm on which the cotton was produced, and (10) the name and address of the buyer. After such entries have been made, form Cotton 213 shall be executed by the buyer and the producer who shall certify to the correctness of the entries. In case cotton is purchased in the seed, the buyer and the producer shall estimate the amount of lint cotton for the purpose of entering the information required to be shown on form Cotton 213 and shall enter thereon in lieu of the gin bale numbers or marks the number of pounds of seed cotton marketed in the particular transaction followed by the words "pounds of seed cotton". Form Cotton 213 so executed by the buyer and the producer shall be the receipt from the buyer to the producer for the amount of the penalty, if any, collected by the buyer as provided for in section 505. One copy of form Cotton 213 executed as provided for in this paragraph shall be retained by the producer, the original thereof shall be retained by the buyer, and the copy thereof on the postal card shall (1) be forwarded by the buyer to the treasurer of the county committee by depositing it in the United States mails, if no penalty was collected with respect to the marketing of the cotton covered thereby, or (2) delivered by the buyer to the treasurer of the county committee at the time the penalty with respect to the marketing of the cotton covered thereby is remitted as provided for in section 506(a).

4. If the cotton is identified to him or his agent by the use of form Cotton 213 when the cotton is

marketed by telephone, telegraph, or letter, or by any means or method other than directly to and in the presence of the producer or his agent holding his marketing card, as provided for in section 408(c), the buyer or his agent shall examine the original of form Cotton 213 and the copy thereof on the postal card submitted by the producer and, if the information required to be shown thereon as provided for in paragraph 3 of this subsection has been correctly entered thereon by the producer, the buyer or his agent shall execute the original and copy thereof and state therein the fact that the penalty due with respect to the marketing of such cotton was or was not collected, as the case may be, and enter the date and place of his signature. Form Cotton 213 may be returned by the buyer or his agent to the producer or his agent for the purpose of correcting any errors made in its execution by the producer or his agent. The original of form Cotton 213 so executed shall be retained by the buyer and the copy thereof on the postal card transmitted to the treasurer of the county committee in the manner provided in paragraph 3 of this subsection. The buyer or his agent shall execute and transmit to the producer a receipt in a form acceptable to the producer for the amount of the penalty, if any, collected.

5. If the cotton is identified to him or his agent by the use of a red marketing card (form Cotton 212) and form Cotton 213 and the producer or his agent presents to the buyer or his agent a receipt or receipts, describing the cotton purchased in the particular transaction, executed by the treasurer of the county committee on form Cotton 219-A as evidence of the fact that the penalty with respect to the marketing of the cotton described in such receipt or receipts has been paid in advance by the producer, as provided for in paragraph 6 of section 603(a), the buyer or his agent shall execute form Cotton 213 in the manner provided for in paragraph 3 or 4, whichever is applicable, of this section, except that the buyer shall state therein the fact that the penalty was not collected by him. The original of form Cotton 213 and the original of each form Cotton 219-A relating thereto shall be retained by the buyer.

(b) Persons buying cotton are hereby requested, in conformity with section 373(a) of the Act, to report to the Secretary of Agriculture in the following manner the following information and to keep the following records on form Cotton 220, which information and records the Secretary of Agriculture hereby finds to be necessary to enable him to carry out with respect

to cotton the provisions of Title III of the Act. In the event it is found by the county committee, upon the basis of evidence submitted to it or upon the basis of an investigation made or caused to be made by it, that any buyer has failed to collect the penalty on any cotton which he has purchased, the marketing of which is subject to the penalty and was so identified to him as provided for in section 408, or that any buyer has purchased any cotton without requiring the seller thereof to identify such cotton as provided for in section 408, the buyer shall, within 15 days after being requested to do so in writing deposited in the United States mail, registered and addressed to such buyer at his last-known address by such county committee, make a report to such committee on all the cotton which he has purchased during the marketing year up to and including the day on which he was so notified, in order that the county committee may make an investigation or an additional investigation to determine whether any cotton purchased during such time by such buyer was cotton the marketing of which was subject to the penalty and the penalty was not collected. Such report shall include for each bale, or lot of cotton if less than a bale, purchased during such time by such buyer (1) the name and address of the producer from whom the bale or lot of cotton was purchased, (2) the gin bale number or mark on the bale of cotton, (3) the number of pounds of lint cotton in the bale or lot, (4) a statement as to whether the buyer collected the penalty with respect to the marketing of the bale or lot of cotton, and (5) the amount of the penalty if it was collected. Such information shall be reported on form Cotton 220 and the buyer shall submit with such report a statement verified by affidavit that the report is true and correct to his best knowledge.

(c) Any person engaged in the business of purchasing cotton from producers failing to keep any record or make any report as required by this section or making any false report or false record shall, as provided for in Section 373(a) of the Act, be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500.00. [Sec. 373(a) 17]

Sec. 603. Records to be Kept and Reports to be Submitted by Producers.- (a) A producer to whom a red-marketing card (form Cotton 212) was issued shall keep the following records in connection with all cotton marketed by him:

1. If the producer or his agent markets cotton by sale directly to and in the presence of the buyer or his agent, the producer or his agent shall execute the applicable portion of form Cotton 213 and assist

the buyer or his agent in the execution thereof as provided for in paragraph 3 of section 602(a) and one copy thereof so executed by the buyer and the producer or their agents shall be retained by the producer.

2. If the producer or his agent markets cotton by sale by telephone, telegraph, or letter, or by any means or method other than directly to and in the presence of the buyer or his agent, the producer or his agent shall execute form Cotton 213 by showing therein the information provided for in paragraph 3 of section 602(a) and shall (1) retain one copy thereof so executed and (2) transmit the original thereof and the copy thereof on the postal card to the buyer or his agent by attaching the original and copy thereof on the postal card so executed to the bill of lading or the draft or bill of exchange used in the transaction or by any other means or method consistent with the nature of the transaction.

3. If the producer or his agent markets cotton by barter or exchange directly to and in the presence of the transferee or his agent, the producer or his agent shall execute form Cotton 213 and assist the transferee or his agent in the execution thereof as provided for in section 604 and one copy thereof so executed by the transferee and the producer or their agents shall be retained by the producer and the original thereof delivered to the transferee. The copy of form Cotton 213 on the postal card shall be (1) delivered to the transferee or his agent if the transferee collected the penalty, if any, with respect to the marketing of the cotton as provided for in section 505(a) or (2) forwarded by the producer to the treasurer of the county committee by depositing it in the United States mails if no penalty was incurred with respect to the marketing of the cotton or (3) delivered by the producer to the treasurer of the county committee at the time the producer remits the penalty with respect to the marketing of the cotton as provided for in section 506(a).

4. If the producer or his agent markets cotton by barter or exchange by telephone, telegraph, or letter, or by any means or method other than directly to and in the presence of the transferee or his agent, the producer or his agent shall execute form Cotton 213 by showing

therein the information provided for in paragraph 3 of section 602(a) and the producer or his agent shall (1) retain one copy thereof so executed and (2) transmit the original thereof to the transferee or his agent and (3) transmit the copy thereof on the postal card to the transferee or his agent if the transferee collected the penalty, if any, with respect to the marketing of the cotton as provided for in section 505(a), or deliver the copy thereof on the franked card to the treasurer of the county committee at the time the producer remits the penalty with respect to the marketing of the cotton as provided for in section 506(a), or forward it to the said treasurer by depositing it in the United States mails if no penalty was incurred with respect to the marketing of the cotton. If the penalty is collected by the transferee in such a transaction, as provided for in section 505(a), he or his agent shall execute and transmit to the producer a receipt for the penalty collected in a form acceptable to the producer.

5. If the producer or his agent markets the cotton to any person not within the United States, the producer or his agent shall execute form Cotton 213 by showing therein the information provided for in paragraph 3 of section 602(a) and shall indicate in the space provided thereon for the signature of the buyer or transferee that the buyer or transferee is a person not within the United States. The producer shall retain one copy of form Cotton 213 so executed and shall forward the original thereof and copy thereof on the postal card to the treasurer of the county committee together with the penalty, if any, incurred with respect to the marketing of such cotton.

6. If the producer pays the penalty with respect to the marketing of any cotton prior to the time such cotton is marketed, as provided for in section 505(b), the treasurer of the county committee to whom such penalty is paid shall execute, in triplicate, form Cotton 219-A by describing therein the cotton with respect to the marketing of which the penalty has been paid and shall retain one copy thereof and deliver the original and one copy thereof to the producer. The original of form Cotton 219-A so executed shall be delivered by the producer or his agent to the buyer or transferee of the cotton described therein at the time such cotton is marketed, and the producer or his agent shall execute form Cotton 213 with respect to such cotton in accordance with the foregoing provisions of this subsection.

7. Any operator or producer to whom a red marketing card (form Cotton 212) is issued shall, upon executing a form Cotton 213 covering cotton the beneficial title to any part or all of which was originally held by one or more other producers, forthwith execute form Cotton 222 in duplicate, retain the copy thereof and forward the original to the treasurer of the county committee for the county in which such form Cotton 213 was issued. Form Cotton 222 so executed shall be identified with the form Cotton 213 to which it relates and shall show the name of each such producer and the share of each such producer in the cotton covered by such form Cotton 213.

(b) The operator of each farm on which the acreage planted to cotton in 1938 is in excess of the farm acreage allotment for the farm shall file with the county committee after all the cotton on the farm has been harvested or January 1, 1939, whichever is the earlier, a report on form Cotton 217 showing (1) the total pounds of lint cotton produced in 1938 by all producers on the farm, (2) the pounds of lint cotton carried over into the marketing year from any previous crop by each producer on the farm, (3) the producer marketing quota for each producer on the farm, (4) the amount of lint cotton produced on each producer's acreage share of the acreage planted to cotton in 1938 on the farm, (5) the amount of cotton marketed by each producer prior to the date of submitting this report, (6) the pounds of lint cotton sold by each producer, the marketing of which is or was subject to the penalty, (7) the amount of the penalty paid by each producer, (8) the pounds of lint cotton each producer has on hand which has not been marketed at the time of submitting the report, and (9) the estimated amount of lint cotton that each producer will harvest from the 1938 crop after the report is submitted. In the event the total production of cotton in 1938 on such farm is not harvested or marketed prior to January 1, 1939, the operator shall make on form Cotton 217 and file with the county committee an additional report of the information required by this subsection after the total production of cotton in 1938 on such farm has been harvested and marketed or not later than August 1, 1939, whichever is the earlier. [Sec. 373(b).]

Sec. 604. Records to be Kept and Reports to be Submitted by Transferees. - Each transferee of cotton shall execute form Cotton 213 by signing his name thereon in the space provided and by stating therein whether the penalty, if any, with respect to the marketing of such cotton was or was not collected by him from the producer. The original of form Cotton 213 so executed shall be retained by the transferee. If the transferee collected the penalty with respect to the marketing of such cotton as provided for in section 505(a), he shall issue and deliver to the

producer who paid the penalty a receipt and receive from the producer the copy of form Cotton 213 on the postal card and deliver it to the treasurer of the county committee at the time of remitting the penalty as provided for in section 506.

Sec. 605. Data to be Kept Confidential. - All data reported to or acquired by the Secretary of Agriculture pursuant to and in the manner provided in this Part VI shall be kept confidential by all officers and employees of the United States Department of Agriculture, members of county committees, other local committees, and State committees, county agents, and the employees of such committees and of county agents' offices, and shall not be disclosed to anyone not having an interest in or responsibility for any cotton, farm, or transaction covered by the particular data, record, information, report, or form and only such data so reported or acquired as the Secretary of Agriculture deems relevant shall be disclosed by them to anyone not having such an interest or not being employed in the administration of the Act and then only in a suit or administrative hearing under Title III of the Act. Sec. 373(c)

Sec. 606. Enforcement. - It shall be the duty of the county committee to report in writing to the State committee forthwith each case of failure or refusal to make any report or keep any record as required by these regulations and each case of making any false report or record. It shall be the duty of the State committee to report each such case forthwith in writing in triplicate to the United States Department of Agriculture with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to enforce the provisions of Title III of the Act. Sec. 376

PART VII. MISCELLANEOUS

Section 701. Forms and Instructions. - The Administrator of the Agricultural Adjustment Administration shall cause to be prepared and issued with his approval such instructions (as parts of the general series referred to in section 107) and such forms as may be required to carry out these regulations. Copies of such forms and necessary instructions shall be furnished free to persons needing them upon request made to the office of the appropriate county committee.

Sec. 702. Interim Marketing Cards, Marketing Certificates, and Penalty Receipts. - Whenever the regional director shall authorize the use of form Cotton 223 in lieu of the red marketing

card (form Cotton 212) and form Cotton 224 in lieu of the marketing certificate and penalty receipt (form Cotton 213), form Cotton 223 and form Cotton 224 shall be issued, accounted for, used, and executed in the manner herein otherwise provided in the case of form Cotton 212 and form Cotton 213, respectively, provided, that the use of any forms Cotton 223 or 224 shall not be authorized if forms Cotton 212 and 213 are available for use.

Sec. 703. Long Staple Cotton.- Except as herein otherwise specifically set forth the provisions of these regulations do not apply to cotton the staple of which is 1-1/2 inches or more in length. [Sec. 350.]

PART VIII. DEFINITIONS

Section 801. Definitions.- As used in these regulations and in all forms and documents in connection therewith, unless the context or subject matter otherwise requires;

1. ACT means the Agricultural Adjustment Act of 1938 and any amendments thereto.
2. SECRETARY OF AGRICULTURE means the Secretary of Agriculture of the United States.
3. ADMINISTRATOR means the Administrator of the Agricultural Adjustment Administration of the United States Department of Agriculture.
4. REGIONAL DIRECTOR means the director of the division of the Agricultural Adjustment Administration in charge of the administration of Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act in the region.
5. EAST CENTRAL REGION means the area included in the States of Delaware, Kentucky, Maryland, North Carolina, Tennessee, Virginia, and West Virginia.
6. SOUTHERN REGION means the area included in the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Oklahoma, South Carolina, and Texas.

7. NORTH CENTRAL REGION means the area included in the States of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

8. WESTERN REGION means the area included in the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming.

9. STATE COMMITTEE means the group of persons designated within any State to assist in the administration of Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act.

10. COMMITTEE means a committee within a county or community utilized under Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act. "County committee", "community committee", or "local committee" shall have corresponding meanings in the connection in which they are used.

11. REVIEW COMMITTEE means the review committee appointed by the Secretary as provided in Section 363 of the Act.

12. PERSON means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any agency of a State. The term "person" shall include two or more persons having a joint or common interest. Words importing the masculine gender may be applied to and include partnerships, firms, joint-stock companies, corporations, associations, trusts, estates, agencies of a State, and women.

13. OWNER or LANDLORD means a person who owns farm land and rents such land to another person or operates such land.

14. CASH TENANT or STANDING-RENT TENANT or FIXED-RENT TENANT means a person who rents land from another for a fixed amount of cash or a commodity to be paid as rent.

15. SHARE TENANT means a person other than a sharecropper who rents land from another person and pays as rent a share of the crops or the proceeds thereof.

16. SHARECROPPER means a person who works a farm in whole or in part under the general supervision of the operator and is entitled to receive for his labor a share of a crop produced thereon or the proceeds thereof.

17. OPERATOR means a person who as a landlord or cash tenant or standing or fixed-rent tenant is operating a farm and is entitled to receive all or a portion of the crops produced thereon or the proceeds of such crops, or who as a share tenant is operating a whole farm and is entitled under a written or oral lease or agreement to receive a portion of the crops produced thereon or of the proceeds of such crops.

18. PRODUCER or FARMER means a person who is entitled to a share of the cotton crop, or the proceeds thereof, produced on the farm in 1938, as owner, landlord, cash tenant, standing-rent tenant, fixed-rent tenant, share tenant, or sharecropper. The term "producer" or "farmer" also includes a wage hand (or cropper) who as a laborer on a farm instead of receiving daily or other cash wages for his labor receives either all the cotton produced by him or another on an agreed or specified acreage or all the cotton produced on an agreed or specified portion of the acreage cultivated by him or another.

19. BUYER means a person who buys cotton from a producer.

20. TRANSFERREE means a person who receives cotton from a producer by barter or exchange.

21. GINNER means a person who gins cotton.

22. TREASURER OF THE COUNTY COMMITTEE means the treasurer of the county agricultural conservation association or the treasurer of the county committee, as the case may be.

23. FARM means all adjacent or nearby farm land under the same ownership which is operated by one person, including also:

1. Any other adjacent or nearby farm land operated by the same person (as part of the same unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other land) the inclusion of which is requested or agreed to, within the time and in the manner specified by the Agricultural Adjustment Administration, by the operator and all the owners who are entitled to share in the proceeds of the crop on any of the land to be included in the farm, which request and agreement shall be applicable to the designation of the land included in such farm both under the 1938 Agricultural Conservation Program and under these regulations;

2. Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops;

PROVIDED, that land not under the same ownership shall be included in the same farm only if the county committee determines that all of such land is customarily regarded in the community as constituting one farm. A farm shall be regarded as located in the county or the local administrative area within the county, as the case may be, in which the principal dwelling is situated, or if there is no dwelling thereon it shall be regarded as located in the county or local administrative area, as the case may be, in which the major portion of the farm is located.

24. FARM MARKETING QUOTA means a cotton marketing quota established for a farm under section 201 of these regulations.

25. PRODUCER MARKETING QUOTA means a producer's share of a farm marketing quota.

26. FARM ACREAGE ALLOTMENT means a cotton acreage allotment established for a farm under section 104 or 105 of these regulations.

27. NORMAL YIELD PER ACRE OF LINT COTTON means the number of pounds of lint cotton established as the normal yield for the farm in accordance with section 106.

28. ACTUAL PRODUCTION of any number of acres of cotton on a farm means the actual average yield of lint cotton for the farm for 1938 times such number of acres.

29. NORMAL PRODUCTION as applied to any number of acres of cotton means the normal yield per acre of lint cotton for the farm times such number of acres.

30. LINT COTTON means the fiber taken from seed cotton by ginning.

31. SEED COTTON means the harvested fruit of the cotton plant before it is ginned.

32. GINNING means separating lint cotton from the seed.

33. MARKET means to dispose of by sale, barter, or exchange.

1. The term "sale" as used herein means any transfer of title to cotton by a producer to another by any means other than barter or exchange.

2. The terms "barter" and "exchange" mean transfer of title to cotton by a producer to another in return for cotton or other commodities, services, or property in cases where the value of the cotton or such other commodities, services, or property is not considered in terms of money, or the transfer of title to cotton by a producer to another in payment of a fixed rental or other charge for land.

3. "Marketed", "marketing", and "for market" shall have corresponding meanings to the term "market" in the connection in which they are used.

34. MARKETING YEAR means the period beginning on August 1, 1938, and ending with July 31, 1939, both dates inclusive.

35. PENALTY means the penalty provided in Section 348 of the Act.

36. STATE AND COUNTY CODE NUMBER means the applicable number assigned by the Agricultural Adjustment Administration to each county for the purpose of identification.

37. SERIAL NUMBER OF THE FARM or FARM SERIAL NUMBER means the serial number assigned to a farm.

38. GIN BALE NUMBER or MARK means the number on the bale tag or any mark made or used by the ginner to identify a bale of cotton.

